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The Integration of Venezuelan Migrants into the Argentine Labor Force  
Examining underemployment, its causes, and potential solutions

a Thesis  
by  
Steven A. Schwartz

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Advisor: DR. GUSTAVO S. AZENHA  
Co-advisor: DR. JOSÉ C. MOYA

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## **Abstract**

Over the last five years, Venezuelans have left their home country in historic numbers in order to escape economic and political crises at home. Although scattering across the globe, most Venezuelans are re-locating to other countries in Latin America. Argentina has received over 125,000 Venezuelan migrants since 2012, most of whom reside in the capital city of Buenos Aires. The core of this thesis examines how well these migrants are integrating economically into the Argentine workforce and to what extent underemployment is a problem.

To accomplish this objective, 278 Venezuelan adult migrants residing in Argentina were surveyed about their experiences navigating the labor market in Argentina. Interviews were also conducted with a variety of individuals from different backgrounds and levels of association with the Venezuelan migrant community in Argentina. These included, among others, interviews with leaders of Venezuelan professional associations in medicine and engineering, the head of a prominent Venezuelan community outreach organization, an academic from Argentina's National Research Council (CONICET), and a representative from Argentina's Dirección Nacional de Migraciones (DNM).

Findings show that underemployment is perceived as a serious problem among Venezuelan migrants with over 50% of survey respondents claiming to be underemployed. Causes of underemployment were found to result from different factors that often vary based on profession. These primarily include difficulties with obtaining degree accreditation, the poor state of the current Argentine economy, a mismatch between the skills of Venezuelan workers and the demands of the Argentine economy, high costs of living in regions where suitable jobs are available, and in some cases, discrimination. The underemployment of Venezuelan engineers and medical doctors, two of the largest professional groups among Venezuelans, was

examined more closely and in both cases underemployment was found to be a problem, but for different reasons.

The Argentine government has already taken important actions towards reducing underemployment among Venezuelan migrants and facilitating their economic integration that are already showing signs of success. Recommendations for additional action that can be taken are offered and encouraged since reducing underemployment will be beneficial not only for migrants but also for the economic health of Argentina in the long run. These include subsidizing the cost of housing in areas of the country that are currently prohibitively expensive for migrants to live and work, offering programs of micro-credit for migrant entrepreneurs or independent contractors, fining employers who refuse to hire migrants that have only provisional residency, and allowing migrants to begin the degree accreditation process earlier with only provisional residency. However, the current poor state of the Argentine economy and the need to address the economic concerns of natives will likely limit the attention and resources given towards further improving the welfare of Venezuelan migrants.

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## Introduction

The International Organization for Migration (IOM), a United Nations (UN) affiliate, estimates that close to four million people have fled Venezuela in recent years as a result of the country's ongoing economic and political crises in what has become the largest displacement of individuals in Latin American history. The IOM also estimates that 73% of these migrants have elected to stay in South America with most going to Colombia, Ecuador, and Peru.<sup>1</sup> However, Argentina has also emerged as a popular destination for migrants, receiving 127,152 Venezuelans between 2012-2018 according to Argentina's Dirección Nacional de Migraciones (DNM).<sup>2</sup> As the crisis in Venezuela rages on, the percentage of migrants going to Argentina seems likely to increase as other countries in the region have begun imposing policies aimed at restricting Venezuelan immigration.

This study addresses primarily how well Venezuelan migrants to Argentina are integrating into the national workforce. It pays particular attention to underemployment and its prevalence among highly educated Venezuelan professionals, which describes a high proportion of Venezuelan migrants to Argentina. This study also explores what measures Argentine policymakers have already taken to facilitate and improve Venezuelan migrants' inclusion in the labor market as well as what additional measures can be taken. As part of this discussion of the scale, nature, and solutions to underemployment, two of the largest professional groups of Venezuelan migrants, engineers and doctors, are looked at in greater detail.

Data for this research investigation was collected through a combination of surveys and interviews. Specifically, 278 Venezuelan male and female adult migrants residing in Argentina were surveyed about their experiences navigating the labor market in Argentina. For simplicity

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<sup>1</sup> "Migration Trends in the Americas: Bolivarian Republic of Venezuela."

<sup>2</sup> "Data y Estadística Venezolanos."



and clarification purposes, this survey will be referred to as the *Economic Integration Survey*. In addition to this survey, interviews were conducted with a variety of individuals from different backgrounds and levels of association with the Venezuelan migrant community in Argentina. These included, among others, interviews with leaders of Venezuelan professional associations, the head of a prominent Venezuelan community outreach organization, an academic from Argentina's National Research Council (CONICET) who is well versed in the study of immigrant groups in Argentina, and a representative from the DNM.

A series of conclusions can be made from the research findings. First and foremost, both unemployment and underemployment are serious problems among Venezuelan migrants, with rates of 36% and 52% among respondents respectively. This holds true in the cases of surveyed Venezuelan engineers and medical doctors, who also registered high rates of unemployment and underemployment. Second, underemployment among migrants results from a variety of factors that often differ based on profession. These primarily include difficulties with obtaining degree accreditation, the poor state of the current Argentine economy, a mismatch between the skills of Venezuelan workers and the demands of the Argentine economy, high costs of living in regions where suitable jobs are available, and in some cases, discrimination. Finally, Argentina has already taken important measures to address these problems by, for example, reducing the requirements for residency and degree accreditation, collecting more and better data about arriving migrants, and beginning development of a new nationwide digital employment search platform.

The variation in factors that affect employment opportunities in different professions makes providing quick and easy recommendations to the government on how to reduce underemployment and improve migrant economic integration a challenge. Nevertheless, there are still some actions that can be taken by the Argentine government to alleviate migrant

underemployment. These include subsidizing the cost of housing in areas of the country that are currently prohibitively expensive for migrants to live and work, offering programs of micro-credit for migrant entrepreneurs or independent contractors, fining employers who refuse to hire migrants that only have provisional residency, and allowing migrants to begin the degree accreditation process earlier with only provisional residency.

In the end it is important for the Argentine government to help migrants obtain employment that is commensurate with their education, experience, and professional qualifications. This is because not only will this improve the welfare of migrants who have already suffered through significant hardship but also because it will help fill important regional labor gaps in the Argentine economy. Nevertheless, doing so may be difficult given the current pro-longed economic recession in Argentina and the possibility that an anti-immigrant backlash may emerge if native Argentines feel that they are not given precedence by their own government during these difficult economic times.

### **Purpose of the study**

This study was performed with the ultimate goal of trying to help reduce underemployment among Venezuelan migrants living in Argentina. Multiple studies cite that underemployment negatively affects people's mental, physical, and financial well-being. For Venezuelan migrants, these stresses are in addition to those that come from learning to adapt to life in a new country. With this understanding and after personally meeting several underemployed Venezuelan migrants living in Argentina during the summer of 2018, I set out to design a study to collect data specifically about migrant underemployment that could then be presented to Argentine policymakers. The hope is that the findings in this report will firstly inform policymakers about the problem of Venezuelan migrant underemployment, secondly convince them as to why migrant underemployment is a serious problem that has important

ramifications on the economic health of Argentina, and finally encourage them to take action upon the recommendations made in the report or otherwise that may help curtail the problem.

Realizing the extreme hardships already faced by Venezuelan migrants forced to flee their homeland, the hope is that this report will improve their livelihood by helping them obtain better paying jobs that are consistent with their education and professional backgrounds. Additionally, reducing Venezuelan migrant underemployment will also help Argentina maximize the economic benefits of “brain gain,” as migrants are able to employ their significant human capital in a more productive capacity. Since human capital is an important ingredient in economic growth and innovation, maximizing its potential by reducing migrant underemployment should be a priority. In addressing the issue of migrant underemployment, Argentine policymakers should therefore consider that its reduction would not only be beneficial for migrants but also for the Argentine economy.

### **Other studies on recent Venezuelan migration to Argentina**

Dr. Roberto Salvador Aruj from the Universidad Nacional de Tres de Febrero performed one of the earliest and most comprehensive studies of Venezuelan migration to Argentina in July 2017. In his report titled *La Migracion de Venezolanos en la Argentina*, 1200 Venezuelan migrants were surveyed in six Argentine cities including Buenos Aires, La Plata, Cordoba, Rosario, Mendoza, and Neuquén.<sup>3</sup> Aruj’s study collected significant demographic and socioeconomic data about migrants as well as scratched the surface in measuring the community’s economic, social, and cultural integration into Argentine society.

Aruj’s main conclusions are that most Venezuelan migrants to Argentina are young, well educated professionals that are not a financial burden to the Argentine state but on the contrary are important contributors to the economic growth of Argentina. According to Aruj, “...It can be

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<sup>3</sup> Roberto Salvador Aruj, “La Migracion de Venezolanos en la Argentina.”

sure that with the integration of migrant workers new jobs are created, levels of consumption are increased, and on numerous occasions, contributions are made that improve the productivity of the economy. There is no doubt that around migrant communities there is a vast net of services that is created that employs as many natives as migrants [translated from Spanish].”<sup>4</sup>

Nevertheless, there are important limitations to Aruj’s study that this thesis hopes to overcome. The first of which is that the data in Aruj’s report is already over two years old in what is a rapidly evolving phenomenon as the number of Venezuelan migrants to Argentina continues to increase dramatically. During this time, there have also been important changes in Argentina’s policies towards Venezuelan migrants that are not accounted for in Aruj’s study. For example, questions asking migrants about their experiences with the degree accreditation process in Aruj’s study are less relevant since the rules and procedures for Venezuelans in Argentina changed in 2018.

Moreover, Aruj’s study is geographically limited in its approach as it only includes migrants from the six previously cited Argentine cities. Data collected for this thesis shows that Venezuelan migrants have spread far and wide throughout Argentina in significant numbers that are worth being surveyed. Additionally, Aruj’s assessment of economic integration and specifically underemployment is basic and incomplete. Only one question related to underemployment, specifically skills-related underemployment, appears on the survey. No questions are included about “time-related underemployment” nor whether migrants who claim to be skills-related underemployed desire other employment that better utilizes their education, skills, and professional experience. Also lacking is a discussion on the causes of migrant underemployment. In short, Aruj’s attention towards the issue of underemployment provides

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<sup>4</sup> Roberto Salvador Aruj, “La Migracion de Venezolanos en la Argentina.”

some useful general insights but does not enable a more detailed and nuanced understanding of the scope and nature of underemployment. It also cannot be used to accurately assess the underemployment of migrants since international standards for measuring underemployment are not employed.

Another study by the IOM titled *Monitoreo de Flujo de Poblacion Venezolana* surveyed 395 Venezuelan migrants at three different Argentine arrival points from July 10th- July 16, 2018.<sup>5</sup> Two of these arrival points were the two main airports in Buenos Aires while the third was a border crossing at Puerto Iguazu along the border with Brazil. The main purpose of this study was to gather demographic and socio-economic data on arriving migrants. Other areas of investigation included migrants' health, travel itineraries, travel costs, travel companions, and whether migrants have economic dependents back in Venezuela or elsewhere. Valuable insight is also included about the regions of Venezuela where migrants come from, if migrants had resided in a country other than Venezuela before coming to Argentina, and the average cost of different types of transportation between Venezuela and Argentina.

Overall, the findings from the demographic and socioeconomic data collected in this report largely corroborate with that which was collected by Aruj. Its findings indicate that most arriving Venezuelans are young, educated professionals from middle to upper middle-class backgrounds. However, the primary limitation to the IOM report is that it only collects data on arriving migrants and does not include any information about their experiences after arrival. Nor does it provide any information on Venezuelan migrants that have already been residing in Argentina. Data in the IOM report is also somewhat compromised by the fact that not all migrants surveyed had Argentina as their final destination as 10% of respondents claimed to be in transit to another country.

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<sup>5</sup> International Organization for Migration (IOM), "Monitoreo de Flujo de Poblacion Venezolana, Argentina."

Furthermore, both studies were limited by their singular approach of only using surveys with close-ended questions. The lack of open-ended survey questions and insight from interviews means that the voices and opinions of Venezuelan migrants are not incorporated in these studies. Additionally, no insight nor data was collected regarding the Argentine perspective on the issue of Venezuelan migration to Argentina in either of these reports. This thesis seeks to complement these studies and deepen our understanding of migrant experiences by offering Venezuelan migrants the opportunity to voice their thoughts and opinions through open-ended survey questions and by incorporating insight from knowledgeable insiders in the Venezuelan community, academia, and the Argentine government. While both the Aruj paper and IOM report only examine Venezuelan migrants on one level as an entire population, this thesis also looks at specific subsets in detail, most notably Venezuelan engineers and medical doctors.

## **Organization**

Chapter I provides a detailed discussion about the purpose and methodology of the research performed as part of this thesis. Also referenced are other studies that have been conducted about recent Venezuelan migration to Argentina and their contributions to the field of knowledge on the topic. Chapter I concludes by examining in detail the concept of underemployment, the socioeconomic costs associated with underemployment, and the main causes of underemployment at the micro and macroeconomic levels. Chapter II discusses the motivating factors for Venezuelan migrants to leave Venezuela and emigrate to Argentina. Also included in this chapter is a historical overview of the current economic and political crises in Venezuela and an analysis of the geographic dispersion of Venezuelan migrants residing in Argentina.

Chapter III develops a demographic and socioeconomic profile of surveyed migrants based on common characteristics and trends discerned from the data. Migrants' gender, ages, education levels, professions, and economic classes are all described as a necessary runup to the later discussion on underemployment. Chapter IV is a comprehensive discussion of surveyed migrants' experiences navigating the Argentine labor market. Examined are the topics of legality, employment situation and formality, the job search process, income, remittances, and discrimination in the workplace or hiring process. The extent to which surveyed migrants are beneficiaries of direct government financial assistance in Argentina is also reviewed.

Chapter V is focused on underemployment and starts by outlining the specific methodology used to create underemployment-related survey questions for the *Economic Integration Survey*. Survey results measuring the extent of underemployment among Venezuelan migrants in Argentina are presented and the likely causes of this underemployment are discussed. The jobs underemployed respondents currently have in Argentina are then compared with their education levels, stated professions, and previous employment in Venezuela. Chapter V concludes with a more detailed analysis of underemployment among two of the most common Venezuelan migrant professional groups in Argentina, engineers and medical doctors, using insights from both survey and interview findings.

Finally, Chapter VI describes the various actions Argentine policymakers have already taken to reduce underemployment and improve the economic integration of Venezuelan migrants. Recommendations are then offered for further reducing underemployment among Venezuelan migrants. Also examined are overall migrant satisfaction levels in Argentina and under what circumstances, if at all, migrants would return to Venezuela. The chapter concludes by looking at the future of Venezuelan migration to Argentina and what the likely political disposition of Argentina towards the likelihood of increasing numbers of Venezuelan migrants.

## **Chapter I: Research Methodology and Conceptualizing Underemployment**



## **Methodology**

Original research through the use of surveys and the performance of interviews constitutes an integral part of this study. All survey material and interview questions were pre-approved by Columbia University's Institutional Review Board. Surveys were distributed and taken online between June 1<sup>st</sup> and July 6<sup>th</sup> 2019. Interviews were conducted in-person in Argentina during the same time period.

The *Economic Integration Survey* was generated and distributed using online software provided by SurveyMonkey, a leading survey-development company. Only respondents who answered "yes" to preliminary questions confirming that they were Venezuelan immigrants to Argentina over the age of 18 were permitted to begin the survey. Respondents were then asked a series of open and close-ended questions regarding their demographic characteristics, socio-economic status, experiences navigating the Argentine labor market, employment situation, and overall satisfaction living in Argentina. A variety of question types were utilized including multiple choice, checkboxes, star ratings, dropdown menus, matrix/rating scales, ranking questions, and comment boxes. The survey was written in Spanish and had an average completion time of roughly 16 minutes.

Overall, 278 male and female respondents residing in different parts of Argentina successfully completed the survey. Participants were found using a variety of approaches. These included tapping into pre-existing personal relationships with Venezuelan migrants, marketing to migrant groups on social media, and enlisting the help of Venezuelan outreach organizations and professional associations to spread the word about this study. A flyer describing the purpose and goals of the study was also distributed in-person and online to prospective respondents. All responses were anonymous and no identifying personal information such as names was solicited or collected.

Interviews were performed in Spanish, recorded, and averaged one hour in length. Questions asked were largely open-ended and focused on supplementing the data collected from the survey and adding a personal, human touch to understanding the current situation of Venezuelan migration to Argentina. Interviews also provided perspectives of the migratory phenomenon from different groups, some of which were not represented in the survey study. For example, the interview with the representative from the DNM offered an Argentine-centric viewpoint by providing insight on the official position of the Argentine national government on the issue.

A more detailed focus on Venezuelan engineers and medical doctors was decided upon because they represent two of the three largest Venezuelan professional groups in Argentina, access was available to leaders of professional associations in these fields, and because the specificity of these professions made isolating and measuring the data feasible. In contrast, the expansive nature of the second largest group of Venezuelan professionals in Argentina, business professionals, creates additional difficulties in analysis since there are so many different types of business professionals from widely different sectors and fields.

Furthermore, it should be noted that this thesis is not concerned with advocating for or against Venezuelan migration to Argentina. The focus is not to examine the pros and cons of an open or closed immigration policy in Argentina. Since Argentina has already decided on an open immigration policy, the purpose of this thesis is rather to first examine the current state of migrant economic integration and then offer recommendations towards its improvement with a focus on the issue of underemployment. In other words, one of the primary goals is to help Argentina maximize the potential of migrants whom the state has already committed to accepting. This is particularly important since according to the DNM the government's current disposition towards accepting Venezuelan migrants is unlikely to change regardless of the

ascension to power of a new presidential administration on December 10<sup>th</sup> following the victory of the opposition party, Frente de Todos, on October 28<sup>th</sup>.

### **Defining underemployment**

Underemployment is an elusive term that often carries different meanings in varying contexts. Its ambiguity stands in contrast to the more clearly defined states of employment and unemployment. Indeed, the concept of underemployment is fluid and has evolved substantially in public policy circles over the last century.<sup>6</sup> Understanding this, this thesis follows the conventions of underemployment as defined by the International Labor Organization (ILO).<sup>7</sup> This is because the guidelines set forth by the ILO are recognized internationally and provide a framework for standardized data collection and analysis.

Measured over a short reference period, such as a week, the ILO divides a country's population into three mutually exclusive and exhaustive categories: the employed, the unemployed, and the economically inactive. Under this scheme, people working in the informal sectors of the economy should be counted with the employed. However, as Bracha and Burke point out in their study *Who Counts as Employed? Informal Work, Employment Status and Labor Market Slack*, a minority percentage of informal workers are often erroneously excluded from the workforce participation rate.<sup>8</sup>

Underemployment is a subcategory of the employed population that represents workers that are being underutilized in respects to their productive capacities.<sup>9</sup> According to the ILO, full employment requires that:

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<sup>6</sup> International Labour Organization, "History."

<sup>7</sup> The International Labour Organization (ILO) is a UN Agency established in 1919 devoted to setting labor standards and advancing workers' rights and opportunities. The ILO works together with workers, businesses, and governments to gather data and shape labor-related policies.

<sup>8</sup> Bracha and Burke, "Who Counts as Employed? Informal Work, Employment Status, and Labor Market Slack," 1.

<sup>9</sup> International Labour Organization, "Unemployment Statistics."

“(i) there is work for all persons who are willing to work and look for work; (ii) that such work is as productive as possible; and (iii) that they have the freedom to choose the employment and that each worker has all the possibilities to acquire the necessary skills to get the employment that most suits them and to use in this employment such skills and other qualifications that they possess.”<sup>10</sup>

Under this definition, workers are designated as underemployed when they fail to meet stipulation (ii) and potentially aspects of stipulation (iii). ILO literature also tends to measure underemployment in the context of “alternative employment situations.” In these cases, underemployment occurs if the productive capacity or wellbeing of a worker is less than that of an “alternative employment situation” for which the worker is qualified.<sup>11</sup>

More specifically, the ILO breaks underemployment down into two subcategories that are not mutually exclusive. The first is time-related underemployment, also known as visible underemployment, and refers to underemployment resulting from an incommensurate number of hours of work. This form of underemployment includes workers who are willing and able to work more hours and is often associated with part-time workers looking for full-time work. Workers in this state of underemployment often look to supplement hours worked by taking on additional jobs, replacing a current job with another that offers more hours, or by working more hours in their current job. It is important to note that time-related underemployment only measures those workers who, after taking account all of their various jobs, are working less hours than the amount designated as the national threshold for full employment during a certain reference period.<sup>12</sup> For example, if it is determined that full employment in the United States equates to working at least 35 hours per week, workers who already meet or exceed this amount but desire more hours of work are not considered to be time-related underemployed.

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<sup>10</sup> International Labour Organization, “Unemployment Statistics.”

<sup>11</sup> International Labour Organization, “Resolution Concerning the Measurement of Underemployment and Inadequate Employment Situations,” 1.

<sup>12</sup> Ibid., 2.

The ILO's second category of underemployment is referred to as inadequate employment situations, or invisible underemployment. This form of underemployment is much more broad than time-related underemployment and includes workers that are willing and available to change their current employment situation for "reasons that limit their capacities and well-being."<sup>13</sup> The ILO stresses that this determination is based on workers' own assessments of their work and can include any array of factors that limit an individual's productivity or job performance. Some examples include: "inadequate use and mismatch of occupational skills; inadequate income in current job(s); excessive hours of work; precarious job(s); inadequate tools, equipment or training for the assigned tasks; inadequate social services; travel to work difficulties; variable, arbitrary or inconvenient work schedules; recurring work stoppages because of delivery failures of raw material or energy; prolonged non-payment of wages; long overdue payments from customers."<sup>14</sup>

Since this second category is quite expansive in nature, this study only focuses on the skills-related aspect of inadequate employment situations. Underemployment is therefore measured on the premise that workers in their current job(s) are not utilizing their skills or human capital to the best of their ability and are willing and able to switch to a job that better matches their education and occupational skillsets. Human capital in this study refers to work experience, on-the-job training, and formal education.

In summary, the research performed in this study examines and refers to underemployment as defined by the ILO. This includes time-related underemployment and a narrower definition of inadequate employment situations that includes only skill-related

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<sup>13</sup> International Labour Organization, "Resolution Concerning the Measurement of Underemployment and Inadequate Employment Situations," 3.

<sup>14</sup> Ibid.

underemployment. In addition, only involuntary underemployment is considered underemployment as part of this study.

### **Classifying underemployment**

The research performed in this study also analyzes underemployment using a classification system developed by the authors Glyde, Snyder, and Stemberger in their study *Underemployment: definition, causes, and measurement*. In this study, underemployment is categorized as being either “micro-underemployment” or “macro-underemployment.” Micro-underemployment refers to the underemployment of individuals of a certain occupation relative to other individuals in the same occupation who have the same or similar levels of human capital. In this case, the individual’s rate of return from their human capital investment is compared to that of the occupation’s numeraire, or group average. If the rate of return is lower, it is said that the individual is micro-underemployed and not utilizing her skills as productively as others in her cohort.<sup>15</sup>

A hypothetical example of micro-underemployment would be an American law school graduate who waits tables and earns \$20,000 per year while the average American law school graduate works as a lawyer and earns \$120,000 per year. In this case micro-underemployment is explained by an underutilization of skills, yet in other cases it is the result of an undervaluation of skills. An individual’s skills are undervalued when he is working in an occupation that matches his skillset but nonetheless is being paid less than the numeraire.<sup>16</sup> An example would be an accountant working as an accountant but is being paid 20% less than other accountants

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<sup>15</sup> Gerald P. Glyde, David L. Snyder, and Anthony R. Stemberger, “Underemployment: Definition, Causes, and Measurement,” 42–43.

<sup>16</sup> Ibid., 60.

with similar experience, education, and skills. In both forms, micro-underemployment is a result of other factors and individual characteristics other than human capital.<sup>17</sup>

Macro-underemployment is inter-occupational in nature and looks at the differences in rate of return in human capital for the average member of a particular occupational group compared to the average member of another occupational group with different training and skillsets.<sup>18</sup> Different from micro-underemployment, macro-underemployment makes comparisons between occupations rather than between individuals within an occupation. As is probably suspected, macro-underemployment is usually a result of macroeconomic factors such as supply and demand.<sup>19</sup> A hypothetical example would be the over-supply of doctors in Cuba that has forced many doctors to take jobs requiring lower levels of skill and offering less pay. The employment situation of doctors is then contrasted with that of other types of professionals in Cuba, say for example lawyers, who have made similar investments in human capital and are able to work in jobs that match their education and skillsets.

### **The socioeconomic costs of underemployment**

The costs of underemployment to society are at the same time significant and often underestimated by policymakers. At the macroeconomic level, it represents an economic inefficiency highlighted by the underutilization of the labor pool's full potential. Instead of contributing to the economy through high value-added output, highly skilled individuals are being utilized in low value-added occupations. In accordance with classical economic theory, lower wages resulting from underemployment lead to decreased consumption and consequently have an adverse effect on production and GDP.<sup>20</sup> By increasing poverty levels,

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<sup>17</sup> Gerald P. Glyde, David L. Snyder, and Anthony R. Stemberger, "Underemployment: Definition, Causes, and Measurement," 42.

<sup>18</sup> *Ibid.*, 43–44.

<sup>19</sup> *Ibid.*, 95.

<sup>20</sup> Sabina Lacmanovic, Sanja Blazevic Buric, and Lela Tijanic, "The Socio-Economic Costs of Underemployment," 343.

underemployment also raises the financial burden on governments needed to provide social services. Glyde, Snyder, and Stemberger even suggest that underemployment's negative impact on a national economy is even more severe than that of unemployment. Their reasoning stems from the notion that the underemployed population is likely significantly greater than the unemployed population.<sup>21</sup>

In the United States (U.S.), for example, the unemployment rate is currently 3.8% which means 6,156,000 people are unemployed out of an estimated workforce of 162,000,000 people.<sup>22</sup> According to a 2016 PayScale<sup>23</sup> underemployment report, 46% of American workers consider themselves underemployed.<sup>24</sup> This would mean that 74,520,000 people in the U.S. are underemployed, 12 times the amount of unemployed workers. Based on this data alone, it is impossible to say with any accuracy that underemployment carries a greater economic cost than unemployment but nonetheless is evidence of why underemployment is an important issue that must be addressed by policymakers.

Professors David Bell and David Blanchflower in their paper *Underemployment in the US and Europe* contribute to this argument by using national employment and wage data to demonstrate that underemployment has had a more consequential impact on stifling wage growth in the U.S. and Europe than unemployment in the last decade.<sup>25</sup> Moreover, underemployment has also been shown to lead to higher unemployment in what is known as "bumping down."

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<sup>21</sup> Gerald P. Glyde, David L. Snyder, and Anthony R. Stemberger, "Underemployment: Definition, Causes, and Measurement," 20.

<sup>22</sup> Statista, "Employment in the United States."

<sup>23</sup> PayScale is a private company that specializes in selling data to companies around the world regarding compensation and benefits. It uses its big data collection to improve transparency and help employers better compensate employees.

<sup>24</sup> PayScale, "Underemployed: The War on the American Worker."

<sup>25</sup> David N.F. Bell and David G. Blanchflower, "Underemployment in the US and Europe."



Bumping down occurs when highly skilled workers who are underemployed take jobs away from low skilled workers, who subsequently then become unemployed.<sup>26</sup>

At the individual level, there has been a positive correlation between underemployment and poor mental and physical health. In the study *High-skilled immigrants- low-skilled jobs: challenging everyday health*, researchers Subedi and Rosenberg surveyed highly skilled immigrants living in Canada and found that work-related stress due to underemployment was an important factor in the development of depression, anxiety, weight gain, and a series of chronic health conditions.<sup>27</sup> Additionally, underemployment has also been shown to have an adverse effect on social and economic mobility. Since underemployment is often correlated with discrimination, as will be discussed, minorities and immigrants are often at a disadvantage and suffer from higher levels of opportunity inequality.<sup>28</sup>

## **Causes of underemployment**

### **Micro-underemployment:**

There are several factors that contribute to the micro-underemployment of a population. An important one is the lack of labor market information during the hiring and promotion of workers. Inadequate information and communication can result in a disconnect between employers and employees regarding the nature and responsibilities of jobs that can ultimately lead to underemployment. Poorly described or inaccurate job descriptions during the recruitment process is one such example. Labor market information is also limited by the challenges and costs associated with matching employers with the best possible job applicants. Despite

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<sup>26</sup> Gerald P. Glyde, David L. Snyder, and Anthony R. Stemberger, "Underemployment: Definition, Causes, and Measurement," 48.

<sup>27</sup> Rajendra Prasad Subedi and Mark Warren Rosenberg, "High-Skilled Immigrants-Low-Skilled Jobs: Challenging Everyday Health."

<sup>28</sup> Gerald P. Glyde, David L. Snyder, and Anthony R. Stemberger, "Underemployment: Definition, Causes, and Measurement," 134.

technological advances, there are still significant gaps in platforms and mediums that connect employers with a global pool of qualified applicants. The inability of employers to account for forms of human capital other than formal education or work experience, such as innate abilities, further complicates the process.<sup>29</sup>

Poor labor market information also can prevent applicants from determining where there is demand for their labor in the economy. Similarly, poor market forecasting can exacerbate the problem of future micro and macro-underemployment by not providing students contemplating their career paths with information about future demand expectations. In this case, the government can act as an important intermediary by encouraging firms to provide forecasts for manpower that can then be relayed to the public.<sup>30</sup> The government's large investment of billions of dollars every year in education should act as an incentive for soliciting information that will encourage students to study in areas where there will likely be future job opportunities.

A second factor that is a significant cause of micro-underemployment is discrimination. Many firms hire individuals based on reputations attached to certain groups and perceived truths. Even if there is statistical evidence supporting the unfavorable tendencies of a certain group of people, those in that group who do not follow those tendencies will inevitably face unfair discrimination. For example, women have been historically proven to be less attached to the labor force than men due to reasons such as marriage and childbearing. As a result, many employers will discount all women in the hiring process fearing that they are more likely to quit for these reasons. Higher underemployment among women then ensues as they are turned down for higher skilled jobs and positions for which they are just as qualified as men.<sup>31</sup>

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<sup>29</sup> Gerald P. Glyde, David L. Snyder, and Anthony R. Stemberger, "Underemployment: Definition, Causes, and Measurement," 63–66.

<sup>30</sup> *Ibid.*, 66–69.

<sup>31</sup> *Ibid.*, 71–74.

Other groups who also commonly face discrimination in the labor market include religious, ethnic, or racial minorities; disabled persons; members of the LGBT community; and immigrants. Like in the case of women, discrimination towards these groups, often based on false perceptions, can act as a barrier to higher level job placement and lead to underemployment.<sup>32</sup> Unfortunately, widespread discrimination can also discourage members of these groups from investing in human capital in the first place, such as education, if it is believed that the future return on their investment will be lower than that of others who do not experience discrimination.<sup>33</sup> Long-term underemployment caused by discrimination can also further aggravate the problem and prevent eventual full employment by leading to the atrophy of workers' skills and creating a negative perception among potential employers who frown upon long periods of time out of the skilled labor market.<sup>34</sup>

A final primary cause of micro-underemployment is geographic distance and mobility. Jobs for certain professions may be concentrated in areas where many workers are not located. For these workers, the monetary and non-monetary costs of moving exceed what are the likely returns from better employment. Consequently, these workers must accept less pleasing jobs in lower-skilled occupations or part-time work. Mobility also often has a disproportionate effect on certain groups, such as women. For example, wives often "follow" their husbands to a new place because the husband got a new and higher paying job. Yet the labor market in the new location may not be as strong for the wife as it was for the husband and she may be forced to reluctantly accept a job that places her in a state of underemployment.<sup>35</sup>

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<sup>32</sup> Gerald P. Glyde, David L. Snyder, and Anthony R. Stemberger, "Underemployment: Definition, Causes, and Measurement," 74-79.

<sup>33</sup> *Ibid.*, 87.

<sup>34</sup> Sabina Lacmanovic, Sanja Blazevic Buric, and Lela Tijanic, "The Socio-Economic Costs of Underemployment," 342.

<sup>35</sup> Gerald P. Glyde, David L. Snyder, and Anthony R. Stemberger, "Underemployment: Definition, Causes, and Measurement," 91-92.

## **Macro-underemployment:**

Macro-underemployment, like micro-underemployment, is caused by a confluence of factors. However, the focus is on how an entire occupational group as a whole is affected rather than certain individuals within the group. For this reason, as the name suggests, macroeconomic changes in demand and supply for products and labor is considered a chief cause of macro-underemployment<sup>36</sup>. Demand for the labor of a certain profession in a national economy may be reduced due to an economic recession, changing consumer tastes, increased competition from abroad, or technological replacement. During recessions, the probability of macro-underemployment is highly correlated to the elasticity of demand for certain products and services. Workers in professions that are more recession-proof, and therefore exhibit higher demand inelasticity, are less likely to suffer from macro-underemployment.<sup>37</sup>

Moreover, the inflow of new graduates coupled with stagnant job growth can also lead to macro-underemployment through oversupply. This relates to the previous discussion on poor labor market information and the lag time between changing market conditions and when students make career choices.<sup>38</sup> In both cases of supply and demand-induced macro-underemployment, members of affected professional fields are faced with fewer job prospects and are forced to take jobs that do not utilize their skills or are offered jobs only on a part-time basis. Additionally, the high specificity of some occupations and the low degree of transferability of skills can worsen the instance of macro-underemployment as workers have trouble finding jobs in new fields that take advantage of their current knowledge and abilities.<sup>39</sup>

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<sup>36</sup> Sabina Lacmanovic, Sanja Blazevic Buric, and Lela Tijanic, "The Socio-Economic Costs of Underemployment," 332.

<sup>37</sup> Gerald P. Glyde, David L. Snyder, and Anthony R. Stemberger, "Underemployment: Definition, Causes, and Measurement," 94–99.

<sup>38</sup> Sabina Lacmanovic, Sanja Blazevic Buric, and Lela Tijanic, "The Socio-Economic Costs of Underemployment," 332.

<sup>39</sup> Gerald P. Glyde, David L. Snyder, and Anthony R. Stemberger, "Underemployment: Definition, Causes, and Measurement," 98.

### **Causes of underemployment specific to migrants:**

Since the focus of this thesis is on the underemployment of migrants, it is important to point out a few causes of underemployment specific to this group. This is because migrant workers often face additional labor market challenges compared to other groups of workers. First and foremost is the challenge of receiving legal working status in the destination country. In today's world, many nations have strict immigration laws and limit the number of new migrants legally received every year. Thus, skilled migrants forced to migrate illegally for different reasons will likely be underemployed as they are restricted access to the destination country's formal economy. In some countries, legal migration status may also be subject to job restrictions meaning that even migrants that enter a country legally could potentially face underemployment if they are denied access to certain labor markets.

Even if migrants are granted legal working status, there are usually significant and time-consuming governmental bureaucratic obstacles for those looking to get foreign degrees, occupational licenses, or certifications accredited in the destination country. Until these are overcome, highly skilled migrants are usually forced to work in jobs below the value of their human capital. Moreover, for many migrants, language barriers can also lead to underemployment if they are unable to exercise their skillsets in the local language. Accents could also play a role in underemployment if they reinforce discriminatory practices against migrants and reduce the likelihood of being hired for a job. The extent to which these various causes of underemployment are present in the case of Venezuelan migrants living in Argentina will be explored in greater detail in Chapter V.

## **Chapter II: The Decision to Migrate**

## **Background on the economic and political crises in Venezuela**

### **Hugo Chávez and the seeds of crisis (1999-2013):**

The current economic and political crises in Venezuela have their roots during the presidency of Hugo Chávez, who governed the Caribbean nation from 1999 until his death in March 2013. Chávez brought to Venezuela a socialist agenda focused on improving the lot of Venezuela's large number of impoverished citizens through reforms in healthcare, education, social security, food, and land.<sup>40</sup> Key to his plan to reduce poverty were government subsidies on food and consumer goods, price controls, and access to virtually free gasoline for citizens.<sup>41</sup> Indeed, numerous economic indicators point to the success of Chávez's reforms in reducing poverty. For example, literacy rates improved and according to a 2013 report from the UN's Food and Agricultural Organization (FAO), Venezuela was one of just 18 countries to reduce hunger by half in the previous 20 years.<sup>42</sup>

Nevertheless, Chávez's ambitious economic agenda was accompanied by problematic policies that distorted markets and poised Venezuela for future economic difficulties. To begin, Chávez funded his greatly expanded social apparatus primarily through oil revenues and borrowing from international creditors. As seen in the Figure 1 below, oil prices were relatively high during Chávez's tenure as president, making increased government spending and borrowing possible. Yet, any significant drop in oil prices in a country where oil accounts for over 96% of exports, as would happen in 2014, seriously risked the viability of maintaining Chávez's state-funded social programs.<sup>43</sup>

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<sup>40</sup> Victor Bulmer-Thomas, "Analysis: How Hugo Chavez Changed Venezuela."

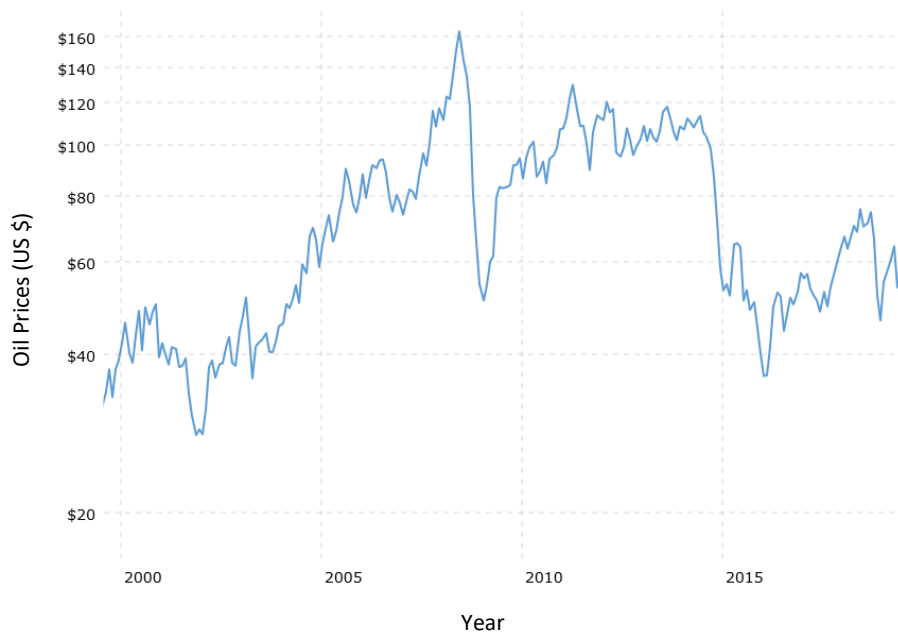
<sup>41</sup> "Nicolás Maduro Digs in for Another Six-Year Term."

<sup>42</sup> Victor Bulmer-Thomas, "Analysis: How Hugo Chavez Changed Venezuela"; "More than One in Five Venezuelans Are Undernourished."

<sup>43</sup> Garth Friesen, "The Path To Hyperinflation: What Happened To Venezuela?"

**Figure 1**<sup>44</sup>

**Historical Oil Prices (1999-2019)**



Moreover, Chávez also hampered the private sector in Venezuela through expropriations across sectors, price controls, and steep and sudden annual rises in minimum wages.

Inefficiency rose and domestic production fell as price controls disincentivized production and nationalized companies fell under the administration of incompetent managers.<sup>45</sup> The slow death of the private sector was driven by and contributed to the growth of the petrostate as the Venezuelan economy became less diversified and even more dependent on oil revenue.<sup>46</sup>

Venezuela's main source of income, the state-owned oil company PDVSA, also suffered from mismanagement and neglect under Chávez. Specifically, allocation of public spending in other areas of the economy have been blamed for the lack of investment in the maintenance or

<sup>44</sup> "Crude Oil Prices - 70 Year Historical Chart."

<sup>45</sup> "Nicolás Maduro Digs in for Another Six-Year Term."

<sup>46</sup> Garth Friesen, "The Path To Hyperinflation: What Happened To Venezuela?"



improvement of company infrastructure and the exploration of potential new sources of revenue.<sup>47</sup>

In 2003, a debilitating PDVSA strike led by opposition leaders calling for Chávez's resignation precipitated a drop of GDP of 27% and a run on Venezuela's currency, the Bolivar, during the first four months of the year as oil production came to a halt.<sup>48</sup> Measures taken following the strike to shore up the Bolivar created distortions that ultimately had long-lasting negative effects on the Venezuelan economy. These included the introduction of a currency peg and the imposition of import controls.<sup>49</sup> During the course of the strike, Chávez also fired and replaced almost half of PDVSA's staff with loyalists, thus creating a brain drain and an important loss of human capital necessary for efficient company management.<sup>50</sup>

Chávez's term as president was also characterized by growing political repression and authoritarianism. Following an attempted coup in 2002, Chávez began taking measures to consolidate his power and repress opposition. Constitutional amendments under Chávez expanded censorship and removed checks and balances in favor of the executive branch. In 2009, for example, presidential term limits were eliminated.<sup>51</sup> State media was also given preferential treatment over private media companies, who were increasingly restricted by a judiciary composed of Chávez loyalists.<sup>52</sup>

A 2008 Human Rights Watch report titled *A Decade Under Chávez: Political Intolerance and Lost Opportunities for Advancing Human Rights in Venezuela* cited the regime's discrimination against those with opposing political views and the actions taken to undermine the

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<sup>47</sup> "New Sanctions Are Placed on Venezuela's Oil Company."

<sup>48</sup> Garth Friesen, "The Path To Hyperinflation: What Happened To Venezuela?"

<sup>49</sup> Ibid.

<sup>50</sup> "New Sanctions Are Placed on Venezuela's Oil Company."

<sup>51</sup> Rocio Cara Labrador, "Venezuela: The Rise and Fall of a Petrostate."

<sup>52</sup> Victor Bulmer-Thomas, "Analysis: How Hugo Chavez Changed Venezuela."

independence of the judiciary branch. The report also accused the Chávez regime of imposing “policies that have undercut journalists' freedom of expression, workers' freedom of association, and civil society's ability to promote human rights in Venezuela.”<sup>53</sup> Chávez was also routinely accused of fostering a culture of corruption that included nepotism and cronyism.<sup>54</sup>

Thus, by the time of Chávez’s death in March 2013, the seeds for an economic collapse and political crisis had already been sewn. The lack of economic diversification and a weakened private sector meant that the health of the economy was overly reliant on high oil prices to fund the government. Budget deficits were high, and borrowing was contingent on future oil revenues. Companies that had been expropriated and nationalized often became beacons of inefficiency. The government’s cash cow PSDVA was already suffering from underinvestment and a shortage of skilled professionals, important factors affecting future output and profitability. Politically, Chávez had also begun taking steps towards authoritarianism by consolidating executive powers and repressing opposition. Therefore, despite the meaningful reduction in inequality and poverty in Venezuela during Chávez’s 14-year rule as president, progress was made in the backdrop of poor long-term economic policies and political overreach. Indeed, the stage was set for the economy to go up in flames, which is exactly what happened when the match was lit in 2014 with the fall of global oil prices.

### **Economic collapse under Maduro (2014-today):**

Following the death of Hugo Chávez, Nicolás Maduro was elected president of Venezuela in April 2013 after winning a close election against opposition candidate Henrique Capriles. Maduro was Chávez’s hand-picked successor and vowed to continue Chávez’s economic policies and socialist initiatives in what Chávez coined the “Bolivarian Revolution.”

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<sup>53</sup> “A Decade Under Chávez: Political Intolerance and Lost Opportunities for Advancing Human Rights in Venezuela.”

<sup>54</sup> Victor Bulmer-Thomas, “Analysis: How Hugo Chavez Changed Venezuela.”

Unfortunately, the global price of oil suffered a sustained drop when it fell from \$113 a barrel in June 2014. In the period since the price of oil has not risen over \$76 a barrel and at the time of the publication of this thesis stood at \$55, 51% less than the price of oil in June 2014.<sup>55</sup>

Despite falling oil revenues, Maduro refused to change the government's spending habits and proceeded to borrow more and expand the already large budget deficit to around 30% of GDP.<sup>56</sup> Since international debt is paid off in dollars, problems ensued as depressed oil prices led to a scarcity of dollars and Venezuela was forced to tap into its dwindling foreign reserves to pay off creditors. Since 2013, Venezuela's foreign reserves are estimated to have dropped two thirds from \$30 billion to \$10 billion.<sup>57</sup> Fearing being shut out of international credit markets and faced with dwindling amounts of dollars, the Maduro government was forced to cut imports in order to service debt. The result was severe shortages and hunger among large portions of the population that depend on government food imports for survival.<sup>58</sup> Unfortunately for Venezuela, the weakening of the domestic private sector during the Chávez years meant a greater dependency on imports for food, medicine, and other essentials.<sup>59</sup> Making matter worse, food and product shortages began to stoke inflation.

Finding these measures insufficient, the government began printing money to pay off international creditors, thus beginning a vicious cycle of rising inflation.<sup>60</sup> This is because printing money leads to a devaluation of the local currency which in turn leads to a rise in prices as the value of each unit of local currency drops and imports become more expensive. Devaluation also means that each new round of debt requires that more money be printed than

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<sup>55</sup> "Crude Oil Prices - 70 Year Historical Chart."

<sup>56</sup> "Hocus Pocus Economics in Venezuela."

<sup>57</sup> Garth Friesen, "The Path To Hyperinflation: What Happened To Venezuela?"

<sup>58</sup> "Nicolás Maduro Digs in for Another Six-Year Term."

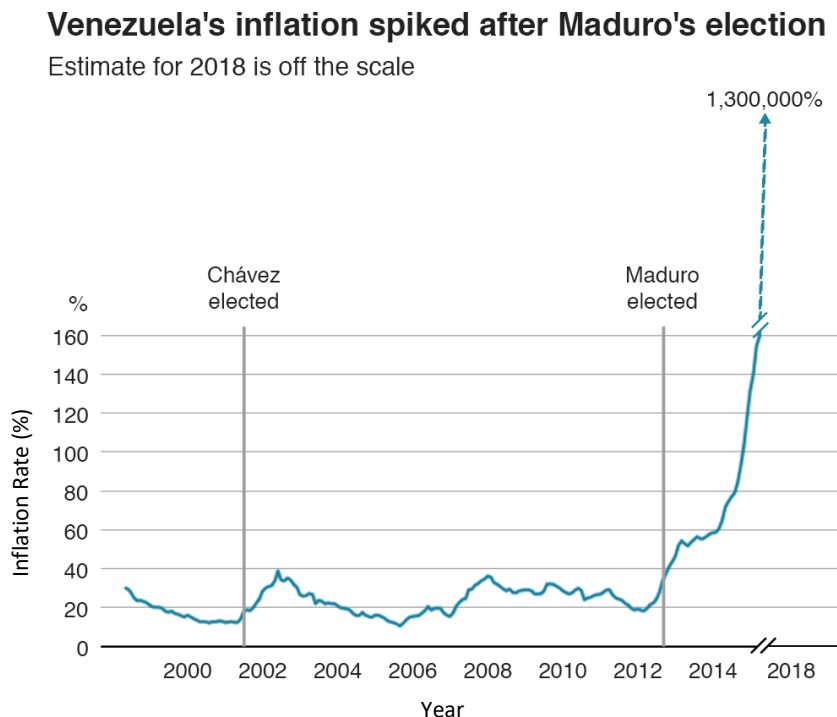
<sup>59</sup> Garth Friesen, "The Path To Hyperinflation: What Happened To Venezuela?"

<sup>60</sup> "Nicolás Maduro Digs in for Another Six-Year Term."

the previous time to service equal amounts of international debt. Doing so subsequently leads to further devaluation and ever greater inflation. Such has been the case in Venezuela since 2013.

Together shortages and printing money have led to levels of inflation in Venezuela comparable to Germany in the 1920s and Zimbabwe in 2008.<sup>61</sup> Figures 2 and 3 below shows the sharp rise in inflation and the resulting devaluation in the Bolivar that have transpired since the end of Chávez's presidency. With hyperinflation having begun in October of 2017, it is estimated that in 2018 the inflation rate exceeded 1,300,000%.<sup>62</sup> At this rate, a savings of USD \$10,000 at the start of the year has a value of .59 by year's end. Nevertheless, despite still being astronomically high, the inflation rate is estimated to have fallen to around 445,000% as of July 2019 due to a combination of increases in central bank reserve requirements and the economic certainty that hyperinflation tends to always "run out of steam."<sup>63</sup>

**Figure 2<sup>64</sup>**



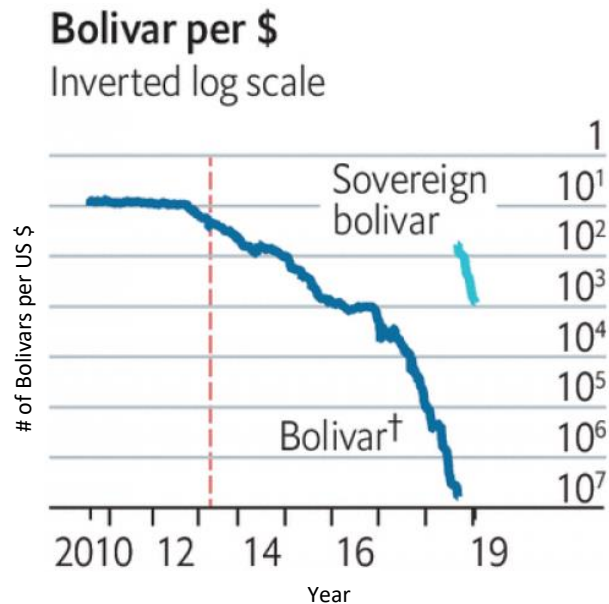
<sup>61</sup> Garth Friesen, "The Path To Hyperinflation: What Happened To Venezuela?"

<sup>62</sup> "Having Wrecked the Economy, Venezuela's Rulers See No Reason to Change."

<sup>63</sup> "With Tenacity and Torture, Venezuela's Awful Regime Is Hanging on."

<sup>64</sup> "Venezuela: All You Need to Know about the Crisis in Nine Charts."

**Figure 3<sup>65</sup>**



It is an understatement to say that inflation at these levels has been catastrophic on the Venezuelan economy. Since inflation makes imports more expensive, shortages have continued to rise which in turn has spurred even greater inflation. In 2018, non-oil related imports were nearly 90% lower than in 2012.<sup>66</sup> Inflation along with the government's disregard for private property rights has also scared away foreign direct investment (FDI). American FDI, for example, dropped from \$600 billion in 2011 to virtually zero today.<sup>67</sup> Inflation has also severely eaten into the wages of workers who find prices rising often on an hourly basis. This has led most people in Venezuela to struggle paying for even the most essential of products.<sup>68</sup>

Additionally, inflation has put a final blow on a private sector that was already put on the ropes during the Chávez years. Wages eaten by inflation and emigration have depressed demand. Meanwhile, government mandated price controls and minimum wage increases imposed to combat inflation have made being in business unprofitable. Those who do not

<sup>65</sup> "Why Have Venezuelans Turned against Nicolás Maduro?"

<sup>66</sup> "With Tenacity and Torture, Venezuela's Awful Regime Is Hanging on."

<sup>67</sup> Garth Friesen, "The Path To Hyperinflation: What Happened To Venezuela?"

<sup>68</sup> "Venezuela: All You Need to Know about the Crisis in Nine Charts."

comply are threatened with expropriation. As a result, the private sector has seen numerous business closures and a rise in unemployment. Not surprisingly, businesses that depend on imports have been hit especially hard by the spike in inflation.<sup>69</sup>

Inflation has also rendered tax receipts worthless since their value is lost between the time they are solicited and collected.<sup>70</sup> This is troubling for a government that to date has already defaulted on more than \$11 billion of principal and interest bond debt and whose foreign debt of over \$135 billion equals roughly five times its annual exports.<sup>71</sup> Full default has only been avoided by mortgaging oil, gas, and gold fields mostly to Chinese and Russian state-controlled firms.<sup>72</sup> Currently over \$13 billion is owed to China and \$3 billion to Russia, amounts that are mostly being paid back in oil shipments.<sup>73</sup>

Yet even producing oil has also become more difficult as the main source of the government's income, PDVSA, has fallen on hard times. Oil output has plunged due to equipment or infrastructure being in disrepair, the firing or fleeing of skilled employees, and more recently, looting.<sup>74</sup> As seen in Figure 4 below, oil production has fallen steadily since 2014 to the lowest levels since the 1920s to around 1 million barrels a day, down 67% from about 3 million barrels a day during the Chávez years.

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<sup>69</sup> "Having Wrecked the Economy, Venezuela's Rulers See No Reason to Change."

<sup>70</sup> Garth Friesen, "The Path To Hyperinflation: What Happened To Venezuela?"

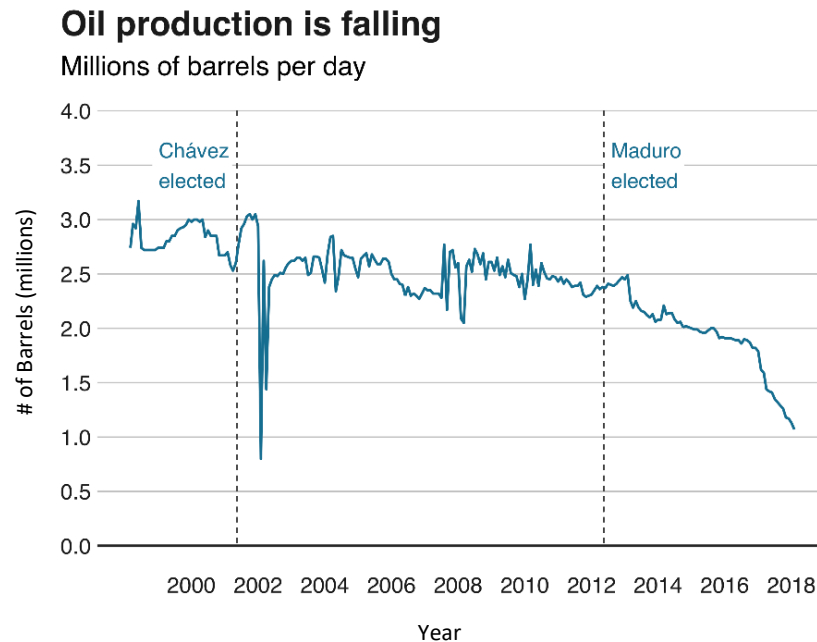
<sup>71</sup> "With Tenacity and Torture, Venezuela's Awful Regime Is Hanging on"; "How Venezuela's Economy Can Recover from the Maduro Regime."

<sup>72</sup> "Nicolás Maduro Digs in for Another Six-Year Term."

<sup>73</sup> "How Venezuela's Economy Can Recover from the Maduro Regime."

<sup>74</sup> "New Sanctions Are Placed on Venezuela's Oil Company."

**Figure 4<sup>75</sup>**



Competent leadership at PDVSA has also been replaced by loyalists of the regime, often military officials, who are hired in exchange for their political support rather than based on their industry knowledge or capabilities. In November 2017, Major-General Manuel Quevedo, who has no prior experience in the oil industry, was named president of the company. Incidents of scavenging have also risen as employees and gangs steal company equipment and machinery for survival.<sup>76</sup> Given the current state of the company, it is unlikely therefore that Venezuela would even benefit much were there to be a sustained rebound in global oil prices.

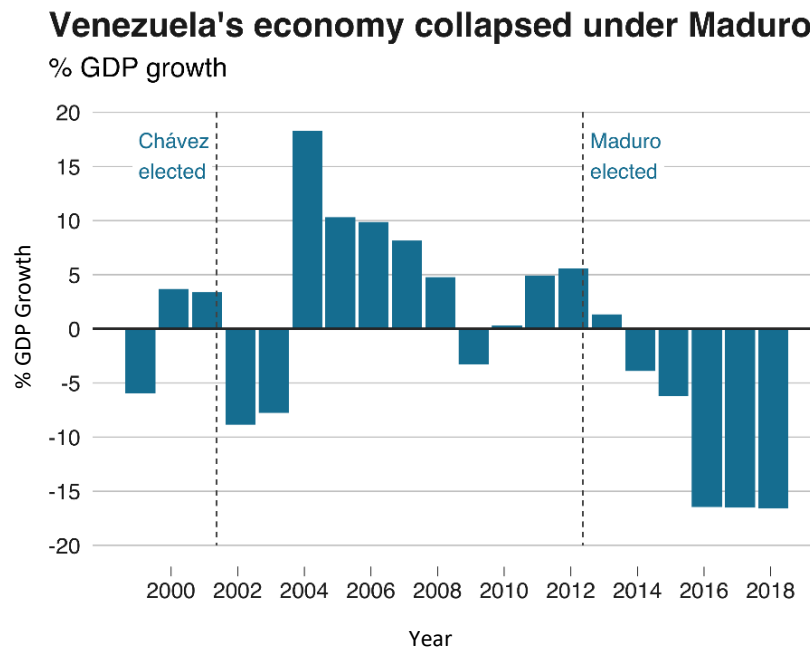
Moreover, the death of the private sector and drops in oil output and income have significantly damaged Venezuela's Gross Domestic Product (GDP) and GDP per person as seen below in Figures 5, 6, and 7. In Figure 5, GDP in Venezuela is shown to have declined by over 15% in each of the last three years. As depicted in Figure 6, GDP is expected to shrink by an additional 22% to \$76.46 billion in 2019, equating to a total drop in GDP of 64% since Maduro

<sup>75</sup> "Venezuela: All You Need to Know about the Crisis in Nine Charts."

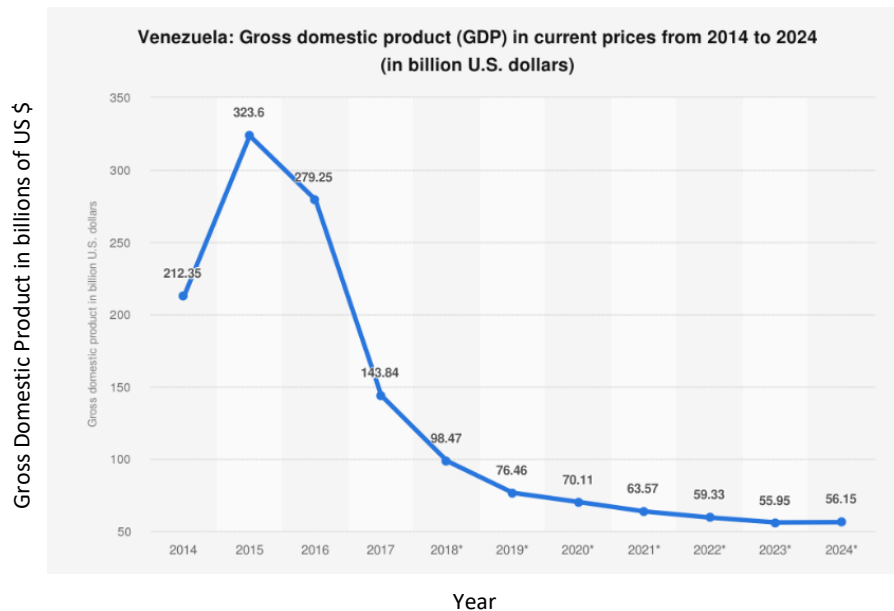
<sup>76</sup> "New Sanctions Are Placed on Venezuela's Oil Company."

first took office. It is also seen in Figure 7 how GDP per person in Venezuela has fallen substantially below the regional average and is now approaching only \$10,000, despite almost 15% of the population having left the country since 2014.

**Figure 5<sup>77</sup>**



**Figure 6<sup>78</sup>**

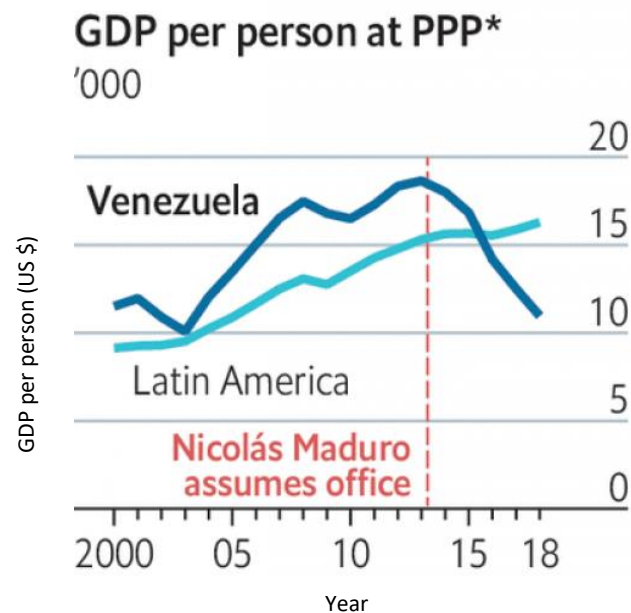


<sup>77</sup> "Venezuela: All You Need to Know about the Crisis in Nine Charts."

<sup>78</sup> H. Plecher, "Venezuela: Gross Domestic Product (GDP) in Current Prices from 1984 to 2024."



**Figure 7<sup>79</sup>**



Maduro's efforts to contain the economic crisis and revive the economy have been half-hearted and ineffective. The elimination of a currency peg and the introduction in August 2017 of a new currency, the Sovereign Bolivar, as part of his “paquetazo rojo” or “big red package” have largely failed. As it currently stands, the Sovereign Bolivar has lost 95% of its value against the dollar in its short lifetime.<sup>80</sup>

It has already been mentioned how new price controls and rising minimum wages credulously meant to control inflation have been incredibly damaging on the livelihood of businesses. However, minimum wage increases have also had a profoundly negative impact on professionals in Venezuela as compliance has meant financially strapped businesses and government institutions have had to reduce the salaries of higher-paid professionals. Reports are that wage differentials have all but disappeared in Venezuela and that all workers are paid the minimum wage regardless of profession, experience, or education. This has led to strikes from

<sup>79</sup> “Why Have Venezuelans Turned against Nicolás Maduro?”

<sup>80</sup> “Hocus Pocus Economics in Venezuela.”

teachers, doctors, and government workers who increasingly have found emigration to be the best recourse.<sup>81</sup>

American sanctions imposed on Venezuela with the intention of weakening the Maduro regime will only deepen the country's economic demise. In May 2018, the U.S. passed sanctions preventing Venezuela from selling debt in the U.S.<sup>82</sup> In January 2019, following recognition of opposition leader Juan Guaidó's government, the Trump administration passed additional sanctions placing American payments to PDVSA in escrow accounts that would only be made accessible following Guaidó's transition to power. Also included was a prohibition on American firms selling diluents to PDVSA, which are needed for the thick Venezuelan crude oil to pass through oil pipelines.<sup>83</sup> The financial accounts of various high-ranking officials of the regime were also frozen and restrictions were placed on their travel to the U.S.<sup>84</sup>

These sanctions were recently expanded in August of this year when President Trump signed an executive order freezing all Venezuelan government assets in the U.S. and prohibiting any U.S. firms from dealing with the Venezuelan government, thus essentially establishing an economic embargo against Venezuela.<sup>85</sup> The effects of these sanctions will be serious and deep cutting since the U.S. hitherto was the largest consumer of Venezuelan oil, accounting for over 40% of total Venezuelan crude oil exports as seen in Figure 8 below. In response, Venezuela has had to sell much of its oil elsewhere, most notably India, but at lower margins due to higher transportation costs.<sup>86</sup> In an economic crisis that seemingly could not get worse, Venezuela now risks reaching levels of destitution never seen in Latin America.

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<sup>81</sup> Corina Pons and Mircely Guanipa, "'We All Earn the Same': Venezuela Minimum Wage Hike Angers Skilled Workers."

<sup>82</sup> Garth Friesen, "The Path To Hyperinflation: What Happened To Venezuela?"

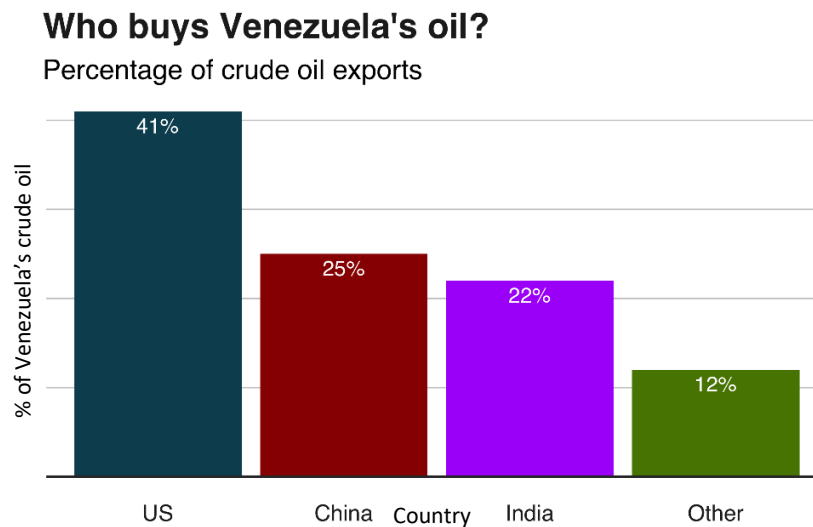
<sup>83</sup> "New Sanctions Are Placed on Venezuela's Oil Company."

<sup>84</sup> "After Repelling Aid Deliveries, Venezuela's Despot Declares 'Victory.'"

<sup>85</sup> Paul LeBlanc, "Trump Announces New Sanctions on Venezuelan Government."

<sup>86</sup> "America Tries to Unseat Nicolás Maduro."

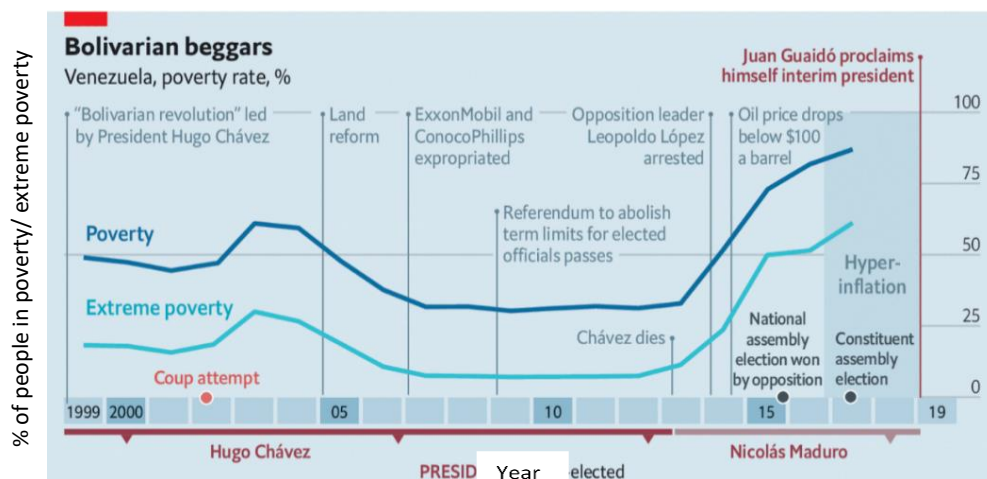
Figure 8<sup>87</sup>



### The human toll of the crisis:

Not surprisingly, the human cost of the economic crisis has been high on what was once recognized as one of the wealthiest countries in Latin America. Now the country with the world's largest oil reserves struggles to provide enough food, medicine, and other essentials to maintain the livelihood of its people. As seen in Figure 9 below, the poverty and extreme poverty rates in Venezuela have skyrocketed in the years following Chávez's death to the point where over half of the population now finds itself in a state of extreme poverty.

Figure 9<sup>88</sup>



<sup>87</sup> "Venezuela: All You Need to Know about the Crisis in Nine Charts."

<sup>88</sup> "Venezuela's Failed Revolution May Itself Be Overthrown."

Large drops in GDP have also coincided with alarmingly high rates of malnutrition as seen in Figure 10 below. Since 2013, the rate of undernourishment in Venezuela has grown six-fold from 6.4% to 21.2% of the population, meaning more than 1 in 5 Venezuelans are currently undernourished.<sup>89</sup> 87.5% of Venezuelan households now depend on government food rations, made available only by having a regime loyalty card.<sup>90</sup> Dependency on these government handouts has only grown since Maduro began blocking much-needed foreign aid from entering the country in February of this year.<sup>91</sup> Many Venezuelans now report having to stand in line 10 hours per day for the scant amount of food that is available.<sup>92</sup> In 2017, a consortium of Venezuelan universities released a study called *Encuesta de Condiciones de Vida* (Encovi) citing that the average Venezuelan had lost over 25lbs since the start of the crisis and that nine out of ten people couldn't afford the amount of food necessary for daily consumption.<sup>93</sup> Figure 11 shows how Venezuelans have had to change their consumption patterns in response to the crisis by eating less fruit, fresh vegetables, and dairy in exchange for more pulses and root vegetables.

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<sup>89</sup> "More than One in Five Venezuelans Are Undernourished."

<sup>90</sup> Luis Pedro Espana N. and Maria G. Ponce Z., "Encuesta Sobre Condiciones de Vida En Venezuela."

<sup>91</sup> "Venezuela's Dictator Vows to Block Deliveries of American Aid."

<sup>92</sup> "More than One in Five Venezuelans Are Undernourished."

<sup>93</sup> Maritza Landaeta-Jiménez, Marianella Herrera Cuenca, and Guillermo Ramírez y Maura Vásquez, "Encuesta Nacional de Condiciones de Vida Venezuela 2017," 7,18.

Figure 10<sup>94</sup>

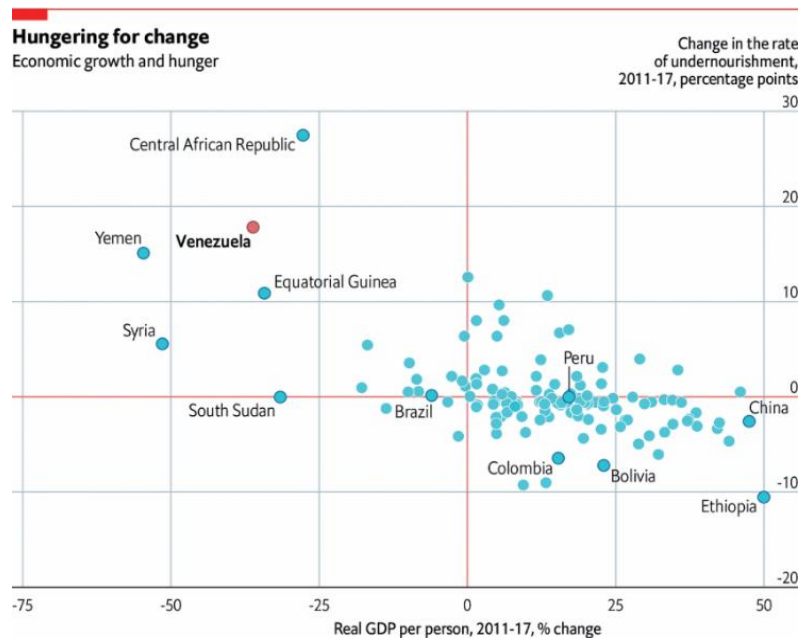
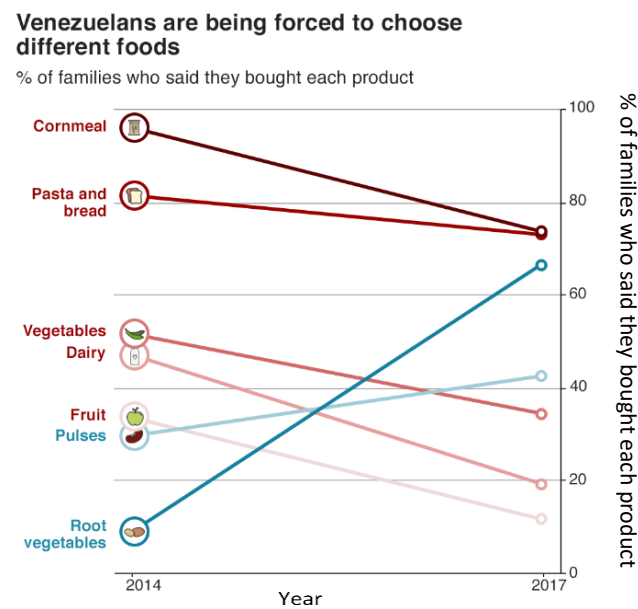


Figure 11<sup>95</sup>



Other statistics are indicative of the enormous toll the economic crisis has had on the Venezuelan people. Lacking sufficient food and healthcare, the incidence of disease has risen

<sup>94</sup> "More than One in Five Venezuelans Are Undernourished."

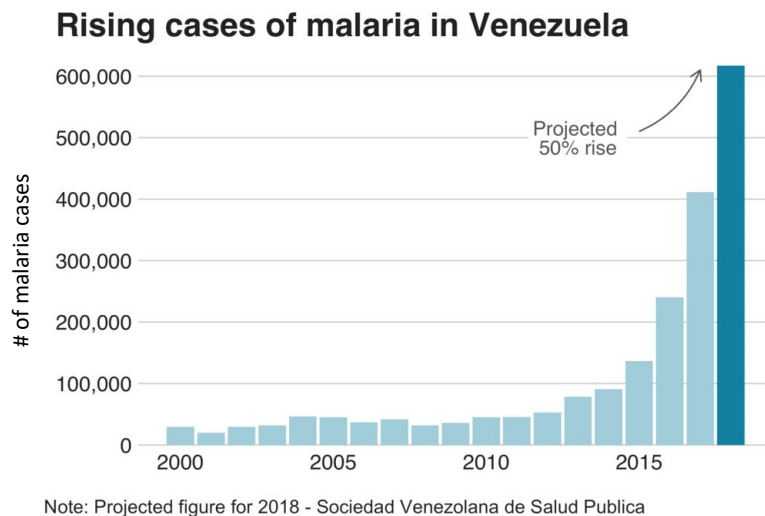
<sup>95</sup> "Venezuela: All You Need to Know about the Crisis in Nine Charts."

along with the under-five mortality rate. Compounding the problem has been the high number of healthcare professionals that have left the country.<sup>96</sup> Outbreaks in malaria, measles, diphtheria, and tuberculosis have been reported.<sup>97</sup> Figure 12 shows the rising trajectory in the number of malaria cases recorded in Venezuela. Figure 13 shows how the marked rise in the under-five mortality rate in Venezuela since 2012 contrasts with the gradual decline experienced by the rest of Latin America during the same period.

**Figure 12<sup>98</sup>**



**Figure 13<sup>99</sup>**



<sup>96</sup> Daniela Guzman, "Venezuelan Doctors Are an Unexpected Boon for Latin America's Poor."

<sup>97</sup> "America Tries to Unseat Nicolás Maduro."

<sup>98</sup> "Why Have Venezuelans Turned against Nicolás Maduro?"

<sup>99</sup> "Venezuela: All You Need to Know about the Crisis in Nine Charts."

Blackout and water shortages have also become commonplace as the country struggles with decaying utility facilities and skilled employees fleeing the country. Over half of the professionals employed at the state-run electrical monopoly, Corporlec, for example, have emigrated having earned salaries equivalent to just a few dollars a month. In March, a 4-day countrywide blackout wreaked havoc on the country by not only keeping millions of citizens in the dark but also denying them access to clean drinking water.<sup>100</sup> The constant failure of public transportation also drags down the national economy and makes life miserable for residents.<sup>101</sup>

High crime has also been an expected result of the crisis as people succumb to illicit activities as a means of survival while at the same time the state struggles to provide resources to control such activity. According to the Venezuelan Observatory of Violence (OVV), a nonprofit focused on tracking crime in Venezuela, the 2018 murder rate in Venezuela was 81.4 per 100,000 people making it one of the highest murder rates globally.<sup>102</sup> As a point of comparison, the murder rate in the United States was 5.3 per 100,000 people in 2017.<sup>103</sup> The OVV report cites kidnappings, robberies, and car jackings as other commonly reported crimes that have made living in Venezuela very dangerous for many.

### **Moving towards authoritarianism:**

As the economic crisis in Venezuela has intensified, so has the political one. Since assuming power in 2014, Maduro has continued Chávez's legacy of consolidating executive power and has even gone further in undermining democratic institutions and procedures in Venezuela. In 2015, after the opposition won a two-thirds majority in the National Assembly, Maduro stacked the Supreme Court with loyalists who then proceeded to weaken the

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<sup>100</sup> "A Blackout Deepens Venezuela's Woes."

<sup>101</sup> "Coping with Two Million Venezuelan Refugees."

<sup>102</sup> "Informe Anual de Violencia 2018."

<sup>103</sup> "2017 Crime in the United States."

opposition's majority by preventing four newly elected lawmakers from being sworn into office. In July 2017, Maduro then staged what most consider to have been a sham election for a new "Constituent Assembly" loyal to him. This new Constituent Assembly subsequently replaced the opposition-controlled National Assembly and stripped it of most of its powers and responsibilities.<sup>104</sup>

The 2018 presidential election is the most recent and arguably the most glaring example of Maduro's move towards authoritarianism that made the regime lose any remaining credibility or legitimacy in the eyes of the international community. The election is highly regarded to have been rigged as opposition leaders were jailed, exiled, or intimidated. Irregularities and voter intimidation were also reported on election day.<sup>105</sup> Voter confidence in the fairness of the electoral system is so low that only 27% of registered voters participated in municipal elections in December.<sup>106</sup>

Importantly, the results of the 2018 election united the opposition as well as mobilized the international community in a concerted effort to oust Maduro. On January 23<sup>th</sup>, opposition leader Juan Guaidó was sworn in as Interim President of Venezuela by the National Assembly and recognition rapidly followed from the United States, Canada, most of Latin America, and the major democracies of Europe. According to the national constitution, the National Assembly has the authority to elect an interim president in the event that the presidency becomes vacant. The interim president will then remain in office until new, free elections can be held. Due to the fraudulent nature of the presidential election, the opposition-controlled National Assembly proclaimed Maduro's re-election as unlawful and the position of president vacant.<sup>107</sup>

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<sup>104</sup> Rahima Nasa, "Timeline: How the Crisis in Venezuela Unfolded."

<sup>105</sup> Patrick J. Kiger, "How Venezuela Fell From the Richest Country in South America into Crisis."

<sup>106</sup> "Having Wrecked the Economy, Venezuela's Rulers See No Reason to Change."

<sup>107</sup> "Venezuela's Failed Revolution May Itself Be Overthrown."



Yet, Guaidó's parallel government has hit many snags in the road in its attempts to overthrow the government. Highly publicized efforts to get humanitarian aid past the border and into Venezuela have been successfully rebuked by Maduro's security forces.<sup>108</sup> On April 30<sup>th</sup>, a coup attempt beginning outside La Carlota airbase in eastern Caracas failed as key military and government officials stayed loyal to the Maduro regime, much to the chagrin of Guaidó and his followers.<sup>109</sup> Demoralized, it remains to be seen what Guaidó's next move will be and what effect increased U.S. sanctions will have on Maduro's ability to maintain the loyal support of the armed forces.

As Guaidó and the international community try to find ways to get Maduro to leave, Venezuela has increasingly become a mafioso state. Corruption and criminality appear to be commonplace and as can be seen in Figure 14 below, Venezuela's corruption index rating is significantly lower than the regional average. To maintain the support of the armed forces, Maduro has given military officials privileged access to whatever remains of the country's economic engines. This includes the oil and gold industries as well as permission to oversee profitable illicit activities such as cocaine smuggling.<sup>110</sup> They are also given cheap access to dollars that can then be re-sold at black-market rates for a hefty profit.<sup>111</sup>

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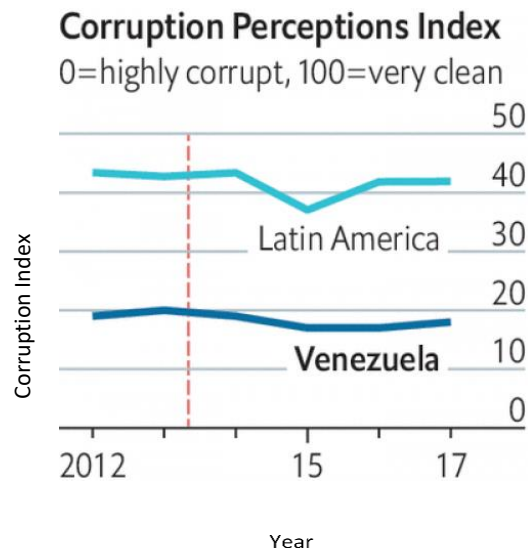
<sup>108</sup> "After a Day of Drama, a Stalemate over Aid to Venezuela."

<sup>109</sup> "Venezuela's Failed Revolution May Itself Be Overthrown."

<sup>110</sup> Ibid.; "How Venezuela Complicates Peace Talks in Colombia."

<sup>111</sup> "Venezuela's Failed Revolution May Itself Be Overthrown."

**Figure 14**<sup>112</sup>



Yet there is more than bribes and patronage keeping the armed forces loyal to Maduro. Experts suggest that many of the top military brass feel that their engagement in such high-level criminal activity has incriminated them forever and that Guaidó's offer of amnesty will not apply to them in the event of Maduro's departure.<sup>113</sup> A legion of Cuban spies has also been integrated into the Venezuelan armed forces to report on dissent and ultimately help prevent any military-style coup from occurring. The Cuban presence has helped imprison dozens of high-ranking members of the armed forces on accusations of treason.<sup>114</sup>

On July 5<sup>th</sup>, the UN High Commissioner for Human Rights released a report written in part by former Chilean president Michelle Bachelet that cited numerous human rights violations on the part of the Maduro regime. These included "violations of the right" to food and other essentials as well as various types of torture such as the use of electric shocks and waterboarding. The report also claimed that government security forces and paramilitary groups, such as the

<sup>112</sup> "Why Have Venezuelans Turned against Nicolás Maduro?"

<sup>113</sup> "Venezuela's Failed Revolution May Itself Be Overthrown."

<sup>114</sup> "Having Wrecked the Economy, Venezuela's Rulers See No Reason to Change."

feared “colectivos,” were responsible for the deaths of 6,800 people between January 2018 and May 2019.<sup>115</sup>

Moreover, Maduro has also been connected to the ELN Colombian terrorist guerilla group, who is rumored to be helping the Venezuelan drug gang, Cartel de los Soles, establish drug-trafficking routes through Venezuela. The Cartel de los Soles is said to be headed by high ranking officials of the Venezuelan military who in return for their political support have been given government consent to profit from the movement of drugs in Venezuela. Maduro also reportedly allows the ELN to use Venezuelan borderlands as refuge from Colombian security forces and as zones from which to launch attacks. Maduro’s relationship with the ELN is thought therefore to not only be facilitating drug-related activity in Venezuela but also acting as an impediment to the Colombian peace process.<sup>116</sup>

### **Why people are leaving Venezuela**

Given the situation described, it is no surprise that an estimated 5,000 people leave Venezuela every day in what has become the largest displacement of people in Latin American history.<sup>117</sup> As previously mentioned, the UN estimates that nearly four million Venezuelans will have left the beleaguered country by year’s end.<sup>118</sup> As seen below in Figure 15, 50% of migrants surveyed in the *Economic Integration Survey* cited economic reasons as the principal motivation for leaving Venezuela, 26.98% cited insecurity from crime and/or violence, 9.35% cited political reasons, and 13.67% cited “other.” Most of those who responded with “other” specified that there was no singular, principal reason for leaving but rather that the decision was made based on a combination of all the other answer choices.

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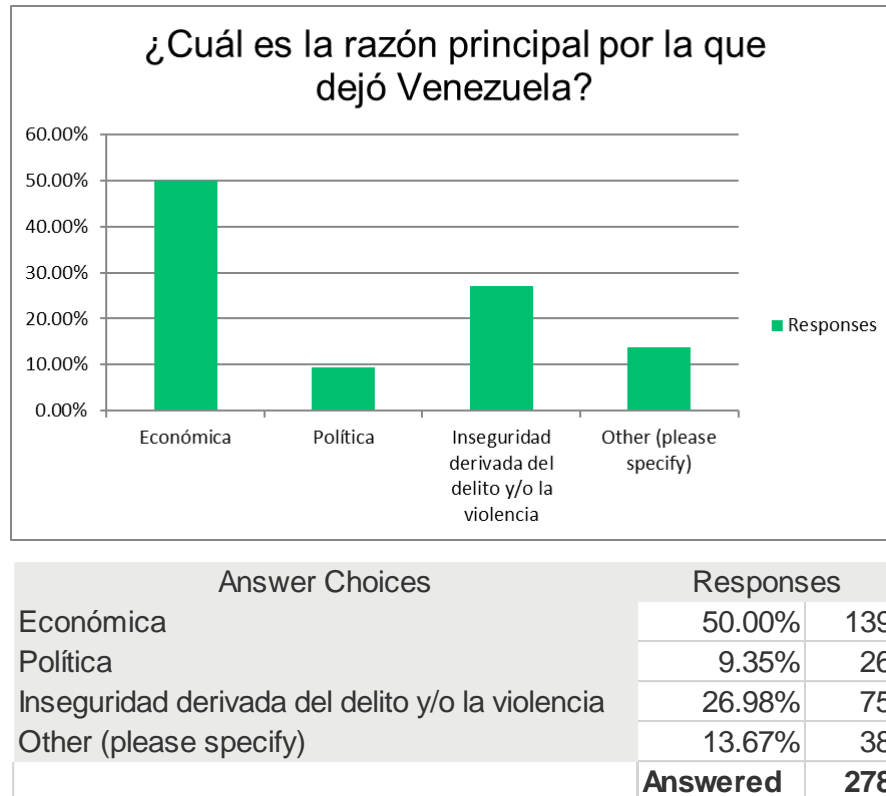
<sup>115</sup> “Human Rights in the Bolivarian Republic of Venezuela.”

<sup>116</sup> “How Venezuela Complicates Peace Talks in Colombia.”

<sup>117</sup> “Coping with Two Million Venezuelan Refugees.”

<sup>118</sup> “Migration Trends in the Americas: Bolivarian Republic of Venezuela.”

**Figure 15**



When asked the open question of “Why did you leave Venezuela?” respondents painted a picture of the crisis that cannot be depicted by statistics and figures alone. Some of the many responses include:

### **¿Por qué se fue de Venezuela?**

“Crisis general. Falta de luz, agua, transporte, no me alcanzaba para las tres comidas, poca proteína, en fin por todo me fui de mi país.”

“Falta de oportunidades de empleo. Crisis económica. Falta de materiales de construcción ... Falta de alimentos. Medicina.”

“Escasez de alimentos, medicamentos y combustible, precario futuro para mi hijo.”

“Por la situación país y demasiada delincuencia, no hay respeto a la propiedad privada, y no se puede avanzar en el país.”

“Porque el sueldo no alcanza para comprar suficiente comida, hay mucha inseguridad, y todos los servicios publicos fallan. Se vive todo el dia angustiado porque no sabes si te robaran, o no comeras o te enfermas y no hay los medicamentos. Todo eso ha traido problemas psicológicos a mi vida. Depresión, ansiedad, desnutrición. Me fui porque quiero vivir.”

“Falta de alimentos, falta de medicinas y reactivos para análisis de laboratorio, terrorismo en mi lugar de trabajo por parte del gobierno, sueldo indigno, delincuencia, insalubridad, falta de repuestos para vehículos, un caos en todos los aspectos, miedo por la terrible delincuencia”

“Por la crisis social y económica en un régimen político narco comunista donde no existen entes gubernamentales autónomos. No hay respeto a la vida, al pensamiento libre. No hay meritocracia, no hay alimentos, ni medicamentos. Por último, no recibo los servicios básicos de agua, luz y gas en mi casa. El agua no llega por tuberías desde hace 5 años.”

“El sueldo era insuficiente para vivir sumado a la inseguridad y la falta de todo, vi a mi madre perder 20 kilos en unos meses por que no teníamos que comer aunque las dos trabajábamos y somos profesionales”

“Por la situación política, por ser contrario al Gobierno desde sus inicios y por haber sido descubierto como opositor, en un área donde se maneja la producción de manera remota y la información es confidencial, eso me conllevó a salir de la empresa por los ataques políticos y luego salir del país, por no tener como sustentar a mi familia.”

“Por el cierre de mi empresa, nos quedamos sin papel para imprimir la revista”

“Por la dictadura Madurita, escases de alimentos, medicinas, médicos, por la cruel e imperante inseguridad desbordada por todo el país entre muchas otras adversidades más propias de dicha dictadura.”

“Por que 2 de mis 3 hijos se vinieron a Argentina, mi hija fue abusada y salio en estado y mi esposo y yo vinimos atender a nuestra hija en su situación porque en Venezuela no existen condiciones ni garantías de salud tanto para la madre como para los bebes. Aunado a ello la situación de crisis de Venezuela falta de alimentos medicamentos falta de servicios básicos inseguridad. Mi esposo y yo de la tercera edad con condiciones de hipertensión y diabetes cada día se hacia mas difícil conseguir los medicamentos y cuando se conseguian eran incomparables, además la falta de transporte. Falta de efectivo para comprar ciertos rubros en fin un infierno.”

### **Venezuelan emigration to Argentina in numbers**

To begin, Argentina is an attractive destination for migrants from Venezuela since both countries share the same language and similar cultural values as a result of an analogous colonial history. This makes it easier for newcomers to assimilate both economically and socially than would be the case in other non-Spanish speaking countries such as Brazil, those in the Caribbean basin, and most countries outside of Latin America. Figure 16 below presents a map from the UN that estimates the migratory flow of Venezuelans to various countries over the last few years.

As can be seen, most Venezuelan migrants have relocated in Spanish-speaking countries in Latin America and Spain, which received an estimated 208,333 Venezuelan migrants in 2017.

Compared to other Spanish-speaking countries, Argentina is an attractive destination for not only Venezuelan migrants, but people from many other countries as well. This is because all foreigners, regardless of legal status, can take advantage of free public education through the university level as well as free public healthcare. For Venezuelans, there are other incentives that make Argentina a particularly attractive destination. One of which is the relative ease involved with entering Argentina legally and obtaining residency and work permits.

In light of the current humanitarian crisis, the migratory privileges granted to fellow Mercosur members have been upheld for Venezuelans entering the country despite Venezuela's suspension from the regional trade block in December 2016. As such, Venezuelans entering Argentina do not need a passport and can provide any form of government-issued identification.<sup>119</sup> In an interview with the press director for the DNM, Hugo Moujan<sup>120</sup>, it was also learned that given the current challenges associated with obtaining and renewing documentation in Venezuela, Argentina has also made the decision to accept expired documents from Venezuela and permit children under the age of nine to legally enter with only a birth certificate.<sup>121</sup>

The relaxation of rules for Venezuelan migrants trying to enter Argentina stands in contrast to the positions taken by other countries in the region overwhelmed by the sudden inflow of people. Peru, Chile, and Ecuador have over the last year begun requiring that migrants obtain visas before being permitted to enter their countries. Unfortunately for migrants, obtaining a visa in these countries requires documentation that is not readily available in

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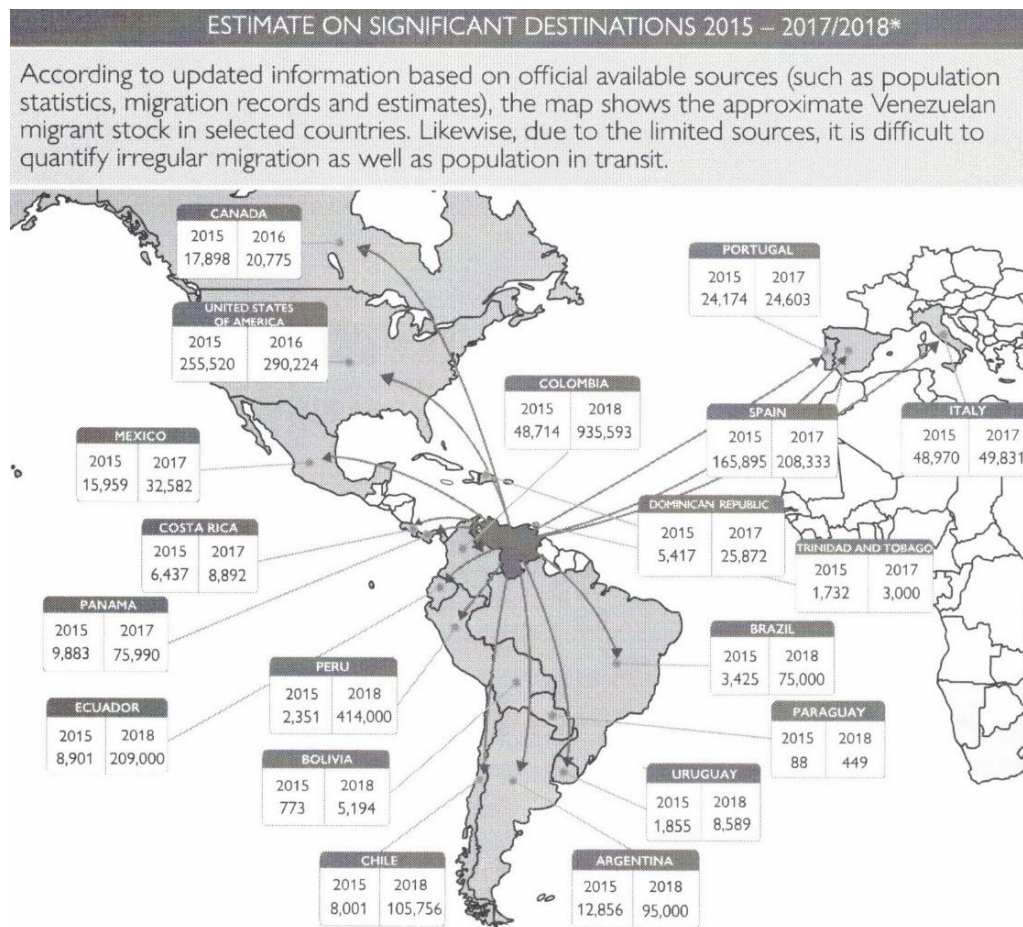
<sup>119</sup> Direccion Nacional de Migraciones (DNM), "Obtener Una Residencia Temporaria Por Nacionalidad."

<sup>120</sup> Hugo Moujan has been the press director for the DNM since January 2002.

<sup>121</sup> Hugo Moujan, Interview with Hugo Moujan, DNM Press Director.

Venezuela such as passports and criminal records. The process can also be time consuming and, in the case of Chile, include fees that many migrants are unable to afford.<sup>122</sup> Faced with stricter immigration policies elsewhere, it is therefore expected that more migrants may gravitate towards Argentina as the crisis continues.

**Figure 16**<sup>123</sup>



Also seen in Figure 16 above is that most Venezuelan migrants who have stayed in Latin America have up to this point gone primarily to Colombia, Peru and Ecuador. As previously mentioned, greater restrictions for entering Peru and Ecuador will likely shift some of this migratory flow to Argentina, which has remained committed to keeping a relatively open

<sup>122</sup> Carmen Victoria Inojosa, "Principales Países de Acogida Restringen Con Exigencia de Visas Ingreso de Refugiados Venezolanos."

<sup>123</sup> "Migration Trends in the Americas: Bolivarian Republic of Venezuela."

immigration policy for Venezuelans. It should be noted that the UN figure of 95,000 migrants to Argentina in 2018 in the graphic was overestimated as the actual figure was 70,531 according to the DNM.<sup>124</sup>

Moreover, Figures 17 and 18 below include data from the DNM and show the number of Venezuelan migrants that have relocated in Argentina over the last several years. As is expected, the numbers have rapidly increased since 2014. Between 2017 and 2018 alone there was a 126% increase in Venezuelans residing in Argentina, following a previous increase of 142% between 2016 and 2017. In 2018, 70,532 Venezuelans relocated in Argentina, adding to a total of 127,152 migrants that have moved to Argentina since 2012. The upward trend in Venezuelan migration appears to be continuing in 2019, with 41,932 migrants having relocated to Argentina just within the first four months of the year according to the DNM.<sup>125</sup>

**Figure 17**<sup>126</sup>

Radicaciones resueltas - Nacionalidad venezolana								
Categoría	2012	2013	2014	2015	2016	2017	2018	TOTAL
Temporarias	1,130	1,290	1,772	4,698	11,298	27,075	60,687	107,950
Permanentes	777	988	854	1,086	1,561	4,092	9,844	19,202
<b>TOTAL ANUAL</b>	<b>1,907</b>	<b>2,278</b>	<b>2,626</b>	<b>5,784</b>	<b>12,859</b>	<b>31,167</b>	<b>70,531</b>	<b>127,152</b>

<sup>124</sup> "Data y Estadística Venezolanos."

<sup>125</sup> Ibid.

<sup>126</sup> Ibid.



**Figure 18<sup>127</sup>**

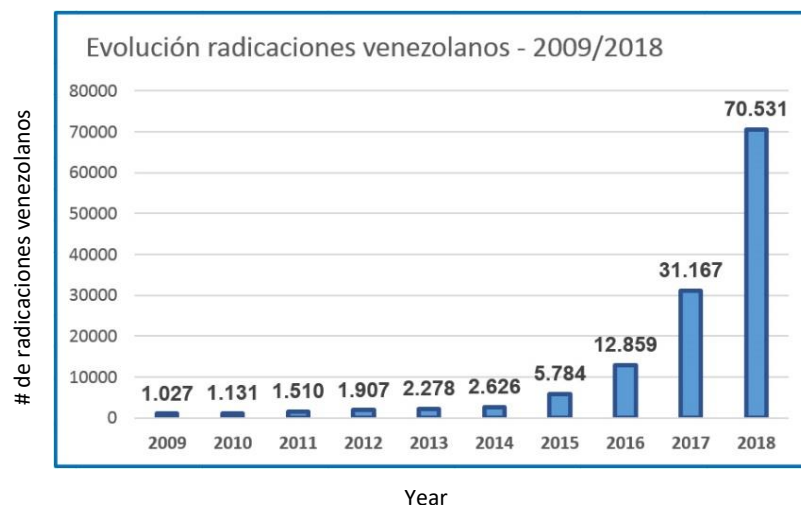


Figure 19 below shows the number of Venezuelans relocating in Argentina each year compared to other immigrant populations in Argentina. As can be seen, in 2018 Venezuelans ranked number one by accounting for 31.8% of all total new immigrants. This is a major change from just two years earlier in 2016 when Venezuelans only accounted for 6% of all new immigrants and ranked fifth after Paraguayans, Bolivians, Peruvians, and Colombians.

**Figure 19<sup>128</sup>**

Radicaciones temporarias y permanentes - 2016 a 2018 - Total y venezolanos					
Año	Total radicaciones de extranjeros	Primeras 5 nacionalidades en el ranking	Venezolanos		
			Radicaciones	Posición en ranking de nacionalidades	% sobre total radicaciones
2018	221.892	Venezolana, paraguaya, boliviana, peruana, colombiana	70.531	1°	31,8
2017	212.845	Paraguay, boliviana, venezolana, peruana, colombiana	31.167	3°	14,6
2016	215.139	Paraguay, boliviana, peruana, colombiana, venezolana	12.859	5°	6,0
TOTAL	649.876		114.557		

<sup>127</sup> "Data y Estadística Venezolanos."

<sup>128</sup> Ibid.

## Motivations for emigrating to Argentina

In order to obtain a more nuanced understanding of migrants' motivations to move to Argentina, survey respondents for the *Economic Integration Survey* were asked to check all the reasons why they decided to emigrate to Argentina, as opposed to another country. The results are shown below in Figure 20:

**Figure 20**



As can be seen, the ease of entering & working legally in Argentina was an important consideration with 70.50% of migrants citing it as one of the reasons they decided to go to Argentina. Other leading factors included a shared language and similar cultural values (39.57%), access to free public university education (31.29%), and better job opportunities (30.94%). Many respondents who selected “Other” cited low levels of xenophobia and discrimination towards Venezuelans as a reason for emigrating to Argentina.

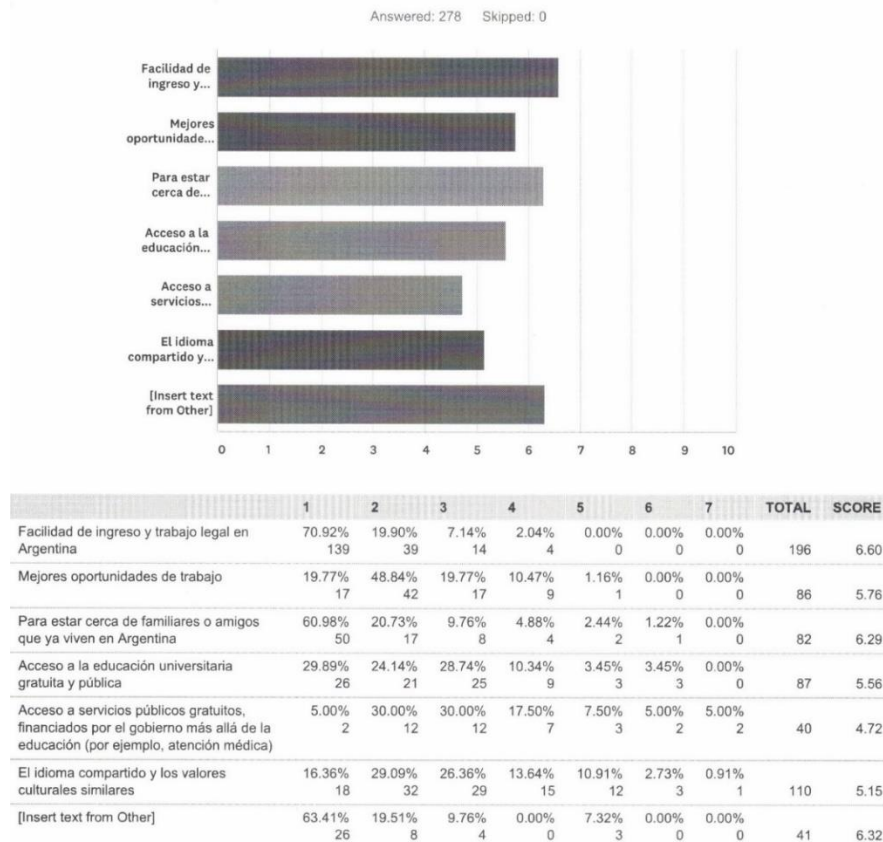
Respondents were then asked to rank all the reasons for moving to Argentina that they had previously selected in terms of importance. A weighted average system was used to calculate the results with higher ranking answers (ex. primary or secondary motivations) getting

a higher weight attributed to them than lower ranking answers. The results are seen below in

Figure 21.

**Figure 21**

Q14 De acuerdo con sus respuestas a la pregunta anterior, clasifique sus motivaciones para mudarse a Argentina arrastrando y soltando las opciones de respuesta en orden de importancia. (lo más importante en la parte superior)



With the highest weighted average of 6.60, the majority of those who had selected “ease of entering & working legally in Argentina” as a motivation to move to Argentina considered it to be one of the most, if not the most, important factor in deciding to move to Argentina. Indeed, 70.92% ranked it as the most important factor while 19.90% ranked it as the second most important factor. “Being close to family or friends already living in Argentina” also ranked highly with a score of 6.29 and is also likely to increase in frequency as a motivation for moving to Argentina as chain migration to Argentina likely increases.

“Better job opportunities” was not a leading motivation for many respondents with a score of only 5.76 and with only 19.77% of those who listed it as a motivation for coming to Argentina considering it their most important one. Although many people (39.57%) had chosen “a shared language and similar cultural values” as one of their reasons for moving to Argentina in Figure 20, the results in Figure 21 show that it was relatively unimportant as it had the second lowest score of 5.15 among all choices. “Access to free, government-funded public services other than education” was both the least cited reason for migrating to Argentina with only 40 responses and one of the least important ones among those who did cite it with a score of only 4.72.

### **The geographic dispersion of migrants in Argentina**

This data below in Figure 22 from the DNM shows by province where in Argentina Venezuelan migrants are residing in the period 2012-2018. As can be seen, most Venezuelan migrants to Argentina have decided to reside in the capital city of Buenos Aires (CABA). Overall, more than 91% of Venezuelan migrants live either in CABA or in the province of Buenos Aires. The province of Córdoba, home to Argentina’s second largest city, is a distant third with 3.21% of the Venezuelan migrant population. Not surprisingly, there are noticeable numbers of Venezuelan migrants living in Neuquén and Río Negro, the epicenters of Argentina’s current oil and gas exploration projects. As will be explored in greater detail, this is due to the large numbers of petroleum and industrial engineers that have migrated to Argentina from Venezuela.

Figure 22<sup>129</sup>

### Total Geographic Dispersion from 2012-2018

VENEZOLANOS - RADICACIONES RESUELTAS POR PROVINCIA									
PROVINCIA	2012	2013	2014	2015	2016	2017	2018	Total general	% of Total
BUENOS AIRES	299	387	352	706	1,678	4,884	17,937	26,243	20.64%
CATAMARCA			4	1	2	16	18	41	0.03%
CHACO	4	6		10	10	16	49	95	0.07%
CHUBUT	8	10	11	14	49	111	305	508	0.40%
CABA	1,325	1,630	1,893	4,523	10,327	24,210	45,662	89,570	70.44%
CORDOBA	65	62	116	172	354	739	2,577	4,085	3.21%
CORRIENTES	2	2	4	4	6	17	43	78	0.06%
ENTRE RIOS	36	15	28	20	39	32	98	268	0.21%
FORMOSA	2						3	5	0.00%
JUJUY	4	1	5	8	4	42	57	121	0.10%
LA PAMPA	5	5	1	1	5	37	304	358	0.28%
LA RIOJA	1	1		2	2	10	21	37	0.03%
MENDOZA	27	38	23	67	56	144	411	766	0.60%
MISIONES	1	3	4	6	9	35	71	129	0.10%
NEUQUEN	19	25	48	94	116	227	1,025	1554	1.22%
RIO NEGRO	14	25	22	34	45	131	319	590	0.46%
SALTA	3	7	5	17	10	48	133	223	0.18%
SAN JUAN	10	5	8	4	14	74	156	271	0.21%
SAN LUIS	14	3	7	5	15	44	123	211	0.17%
SANTA CRUZ	1	4	3	3	13	44	77	145	0.11%
SANTA FE	56	32	76	72	58	212	691	1197	0.94%
SANTIAGO DEL ESTERO		1	4	2	10	7	84	108	0.08%
TIERRA DEL FUEGO	3	5	6	10	17	31	54	126	0.10%
TUCUMAN	8	11	6	9	20	56	313	423	0.33%
<b>Total general</b>	<b>1,907</b>	<b>2,278</b>	<b>2,626</b>	<b>5,784</b>	<b>12,859</b>	<b>31,167</b>	<b>70,531</b>	<b>127,152</b>	<b>100.00%</b>

As seen below in Figure 23, most respondents to the *Economic Integration Survey*, 74.46%, reside in Greater Buenos Aires. Greater Buenos Aires, as defined by the Argentine National Institute of Statistics and Censuses (INDEC), includes the autonomous city of Buenos Aires (CABA) and 24 adjacent districts that are located in the province of Buenos Aires. Unlike in the DNM statistics in Figure 22, I decided to group migrants living in the 24 adjacent districts with those living in CABA into the singular category of Greater Buenos Aires. The DNM, on the other hand, includes migrants living in the 24 adjacent districts under the category of Buenos Aires province. The decision was made in order to more accurately represent the number of

<sup>129</sup> "Data y Estadística Venezolanos."

migrants living in the economic, social, and political nucleus that is the capital region versus those living farther away in other more distant areas of the province.

Moreover, the provinces of Buenos Aires and Córdoba are home to the second and third most survey respondents with 9.35% and 4.32% of the total respectively. Overall, 83.81% of Venezuelan migrants from the *Economic Integration Survey* live in Greater Buenos Aires or the province of Buenos Aires. Like the DNM data, there is also a notable population of respondents living in Neuquén and Río Negro, accounting for 3.96% and 1.44% of the total respectively.

**Figure 23**  
**Geographic Dispersion of *Economic Integration Survey* Respondents**

Province	Respondents	Percentage (%)
Greater Buenos Aires	207	74.46
Buenos Aires (province)	26	9.35
Chabut	1	.36
Córdoba	12	4.32
Entre Ríos	6	2.16
Mendoza	1	.36
Neuquén	11	3.96
Río Negro	4	1.44
Salta	6	2.16
San Luis	1	.36
Santa Cruz	1	.36
Santa Fe	2	.72
<b>Total</b>	<b>278</b>	<b>100.00</b>

### **Buenos Aires neighborhood dispersion among survey respondents**

The *Economic Integration Survey* also solicited data regarding the neighborhoods where Venezuelan migrants are living in each city. The data for neighborhood selection was analyzed for Greater Buenos Aires, since this is the urban enclave with the most Venezuelan migrants. After review, there was no discernible pattern or concentration of migrants in any particular neighborhood or district of Greater Buenos Aires. This finding was validated in my interview with Vincenzo Pensa, who as president of the oldest and one of the largest Venezuelan

community outreach organizations in Buenos Aires, ASOVEN<sup>130</sup>, is very familiar with local Venezuelan migrants' living patterns. He jokingly remarked that there is no "little Venezuela" in Buenos Aires and that this is a good thing since too many Venezuelans together in one area would create "chaos."<sup>131</sup>

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<sup>130</sup> ASOVEN was created in 1998 in Buenos Aires by a group of Venezuelans living in Argentina together with Argentines with strong ties to Venezuela. ASOVEN is dedicated to creating a united community of Venezuelans living in Argentina, preserving Venezuelan history and cultural traditions, and promoting charity events for needy Venezuelans both in Argentina and Venezuela. ASOVEN also works closely with the Argentine government in helping new migrants assimilate to Argentine society.

<sup>131</sup> Vincenzo Pensa, Interview with Vincenzo Pensa, President of Asoven.

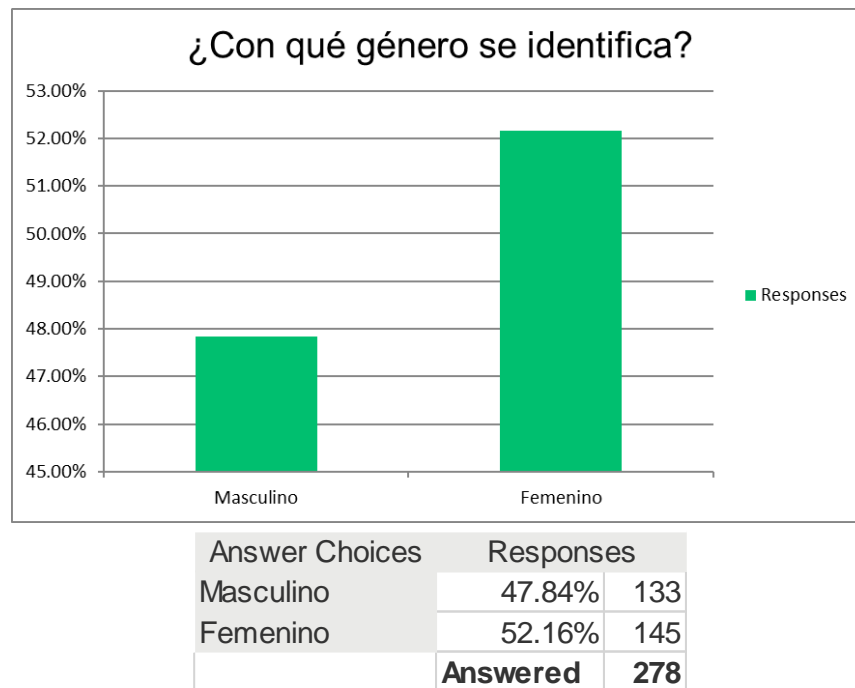
### **Chapter III: Demographic and Socioeconomic Profiles of *Economic Integration Survey* Respondents**



This chapter develops a demographic and socioeconomic profile for the respondents to the *Economic Integration Survey*. Responses to survey questions included in this section provide important information regarding the backgrounds of migrants and are used to determine if there are noticeable trends among the sample population. The areas examined are respondents' gender, age, arrival date in Argentina, educational level and background, and socioeconomic class. These findings are then compared with those from the Aruj and IOM reports.

## **Gender**

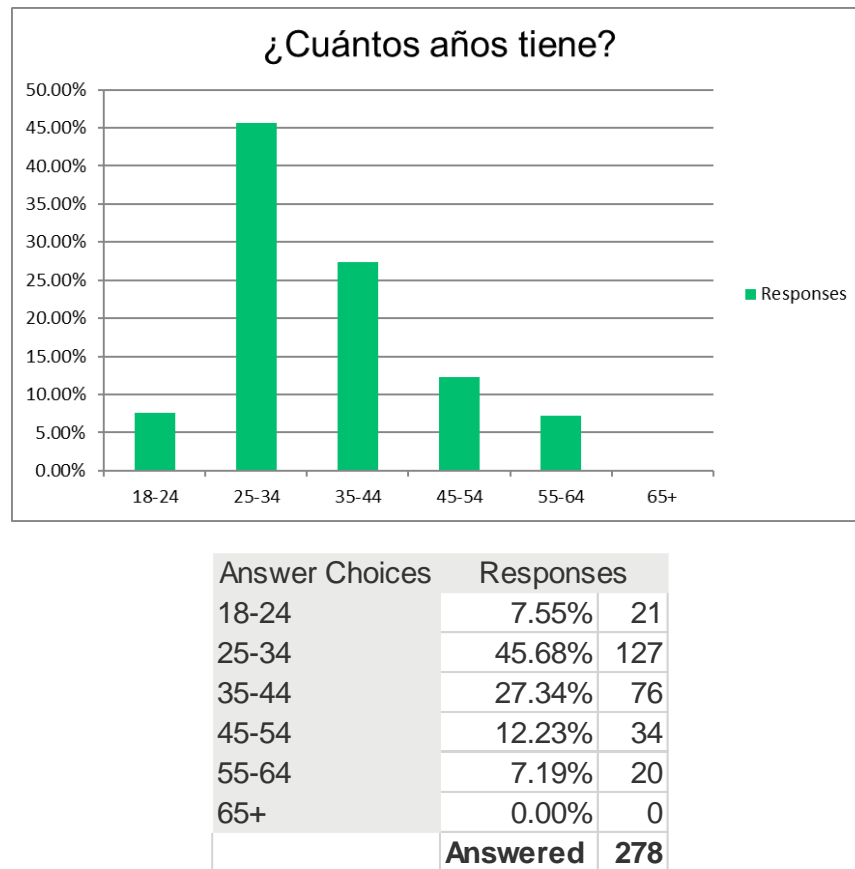
**Figure 24**



Overall, there was a relatively equal balance of responses between the genders. However, slightly more women responded to the survey than men with 52.6% of respondents being women and 47.84% being men.

## Age

**Figure 25**



Most respondents are of young, working age with 73.02% being between the ages 25-44. The biggest age group is the 25-34 range, accounting for 45.68% of the total. The 55-64 age group only accounts for 7.19% of the total while no respondents reported being over the age of 65. Those between 18-24 only represent 7.55% of all respondents. This age distribution is a positive for the Argentine government since most migrants are of working age and able to contribute economically while also being less likely because of their age to depend on free government services such as healthcare and university education.

## Arrival in Argentina

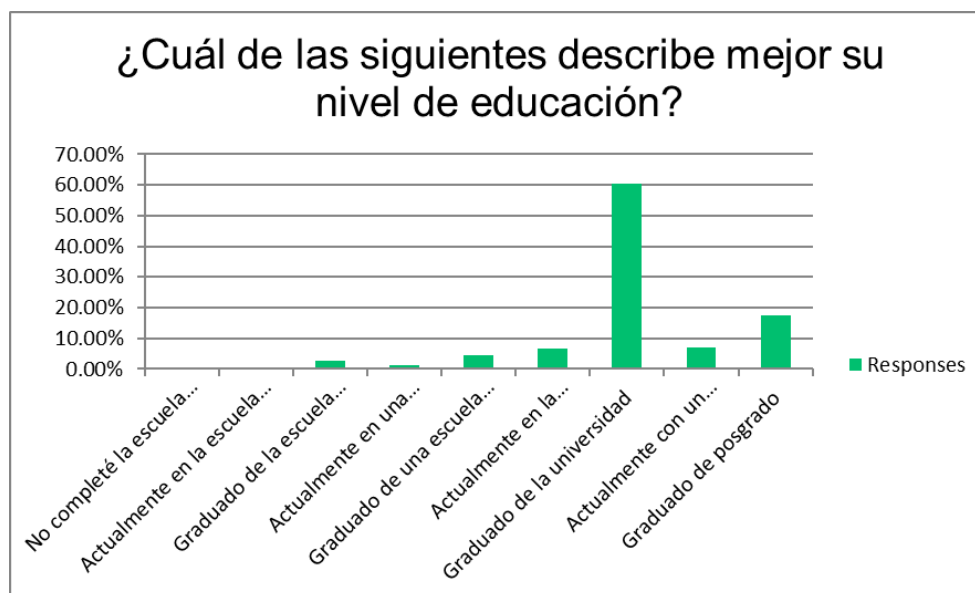
Figure 26



Most respondents (71.94%) arrived within the last two years. This is expected, considering that the number of arrivals to Argentina has increased over the last five years as the economic and political crises in Venezuela have worsened.

## Education levels

Figure 27



Answer Choices	Responses	
No completé la escuela secundaria	0.36%	1
Actualmente en la escuela secundaria	0.36%	1
Graduado de la escuela secundaria	2.52%	7
Actualmente en una escuela técnica/de oficios	1.08%	3
Graduado de una escuela técnica/de oficios	4.32%	12
Actualmente en la universidad	6.47%	18
Graduado de la universidad	60.43%	168
Actualmente con un posgrado en curso	6.83%	19
Graduado de posgrado	17.63%	49
	<b>Answered</b>	<b>278</b>

The majority of respondents (78.06%) have a bachelor's degree or higher. An additional 6.47% of respondents are currently in college. As a point of comparison, only 19% of Argentines are estimated by the OECD to have graduated with a university degree.<sup>132</sup> Additionally, a high percentage of respondents, 17.63%, also have a postgraduate degree. As a collective group, Venezuelan migrants to Argentina can therefore be considered highly educated.

<sup>132</sup> OECD, *Education at a Glance 2017*, 51.

## **Top 12 most popular areas of education**

**Figure 28**

Answer Choices	Responses	
Medicina y Salud	21.26%	54
Ingeniería Industrial	7.48%	19
Ingeniería Petrolera	5.91%	15
Ingeniería Civil	5.51%	14
Ingeniería Mecánica	5.51%	14
Derecho y Criminología	4.72%	12
Administración de Empresas	4.33%	11
Ingeniería Electrónica	4.33%	11
Comunicación, Imagen y Sonido	3.94%	10
Educación y Pedagogía	3.15%	8
Otra (especifique)	3.15%	8
Ingeniería Química	2.76%	7
Medicina y Salud (no médico)	2.76%	7

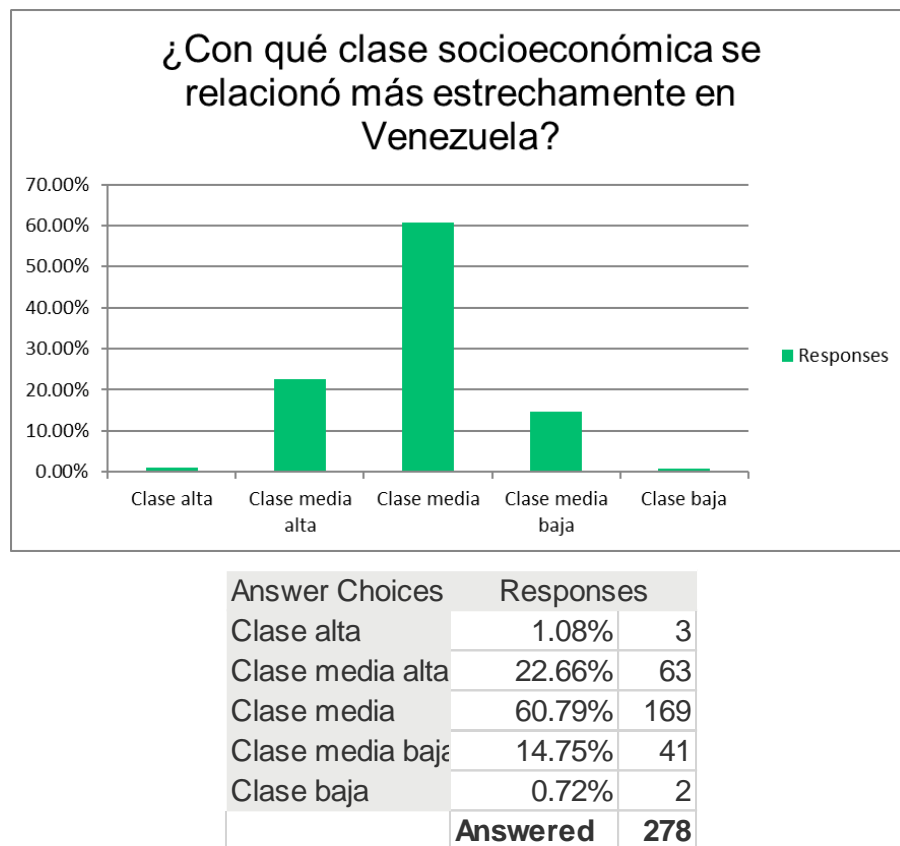
The engineering and medical fields are the most represented among all respondents, accounting for 40.93% and 24.02 of the total respectively. Among engineers, industrial engineering and petroleum engineers are the most common specializations. These findings support data from the DNM in Figure 29 that show engineers and medical professionals constituting two of the three largest groups of Venezuela professionals in Argentina.

**Figure 29**

Radicaciones resueltas venezolanos Selección x actividad - 2015 a 2018		Representan el 35,2% del total
Profesión	Sumas	
Ingenieros	16.234	
Admin. de empresas, empresario, contador	10.860	
Profesionales de la salud	4.517	
Abogados	3.377	
Periodista	2.169	
Chef/cocineros	1.542	
Comerciante	1.458	
Maestro	1.290	
Arquitectos	890	
<b>Subtotal</b>	<b>42.337</b>	
Otras profesiones/oficios	78.004	
<b>TOTAL</b>	<b>120.341</b>	

## **Socioeconomic class in Venezuela**

**Figure 30**



Back in Venezuela, most respondents considered themselves part of the middle or upper-middle classes (83.45%). This makes sense given most respondents have a university education and there is usually a strong correlation between education and social class.

## **Findings compared to other studies**

The demographic and socioeconomic data collected on Venezuelan migrants in the *Economic Integration Survey* support the data collected by the previously mentioned studies performed by Aruj and the IOM. As in these studies, it was found that most migrants to Argentina are young, well-educated professionals from middle class and upper-middle class backgrounds. Also like these other studies, relatively equal numbers of men and women and high numbers of Venezuelan medical professionals and engineers were reported. In general, it

has been found that Venezuelan migrants to Argentina are relatively more affluent and more educated than those that have relocated in other countries in closer proximity to Venezuela.

Although it should be noted that according to Hugo Moujan, the makeup of Venezuelan migrants to Argentina is beginning to change as more migrants with less resources and education arrive by less expensive land routes rather than by air. He estimates that what used to be a distribution of about 90% of arrivals by air and 10% of arrivals by land has now shifted to 70% and 30% respectively. This trend is likely to continue as less skilled and less affluent Venezuelan migrants previously living in countries closer to Venezuela migrate south towards Argentina.

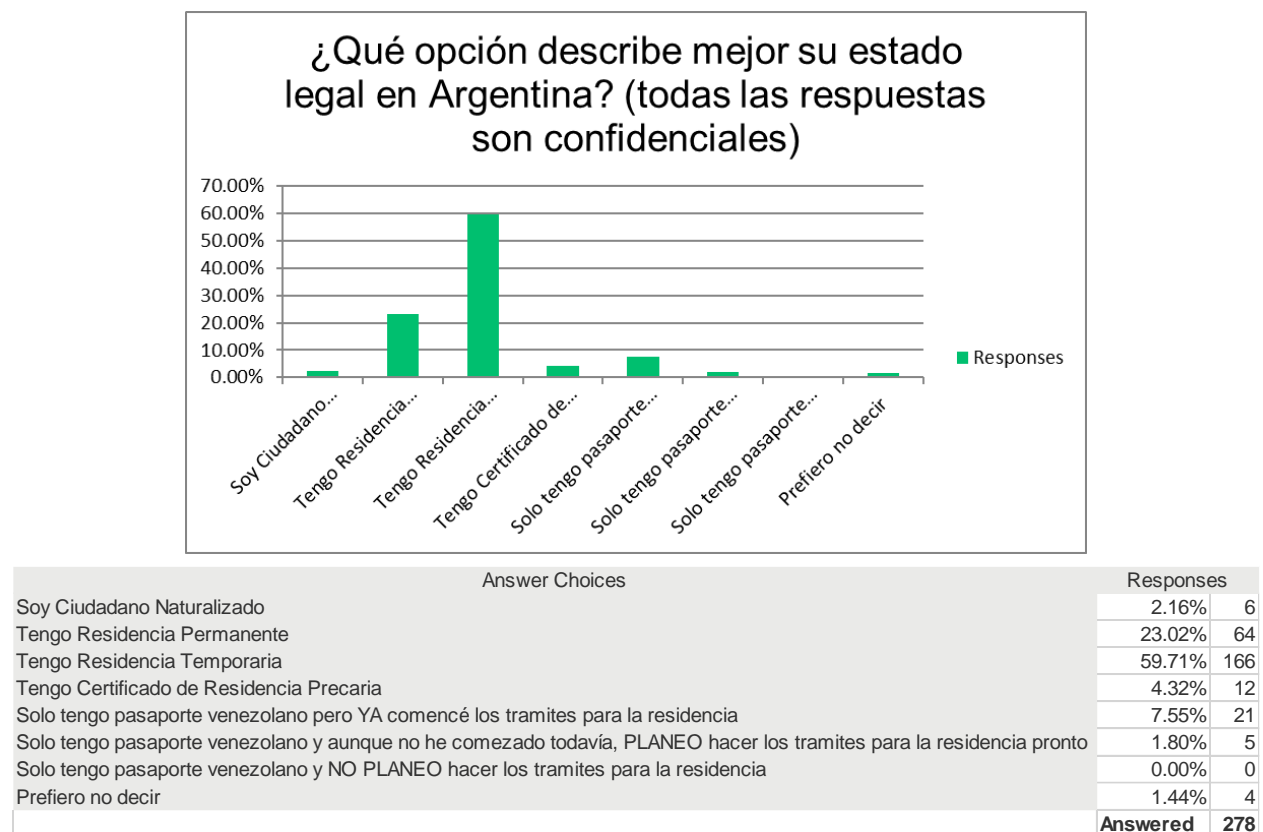
## **Chapter IV: Navigating the Argentine Labor Market**



This chapter looks in depth at the current economic situation of Venezuelan migrants in Argentina based on responses to the *Economic Integration Survey*. Firstly, respondents' legal statuses are examined and the implications they have on employment prospects. This is followed by a discussion on the current employment situation and employment rates of respondents. The number of respondents working in the formal or informal sectors is also explored along with the primary methods that are used by migrants to search for employment in Argentina. Finally, data is presented regarding the average monthly income of respondents, the degree to which migrants benefit from different types of direct government financial assistance, and levels of discrimination.

## **Legal status**

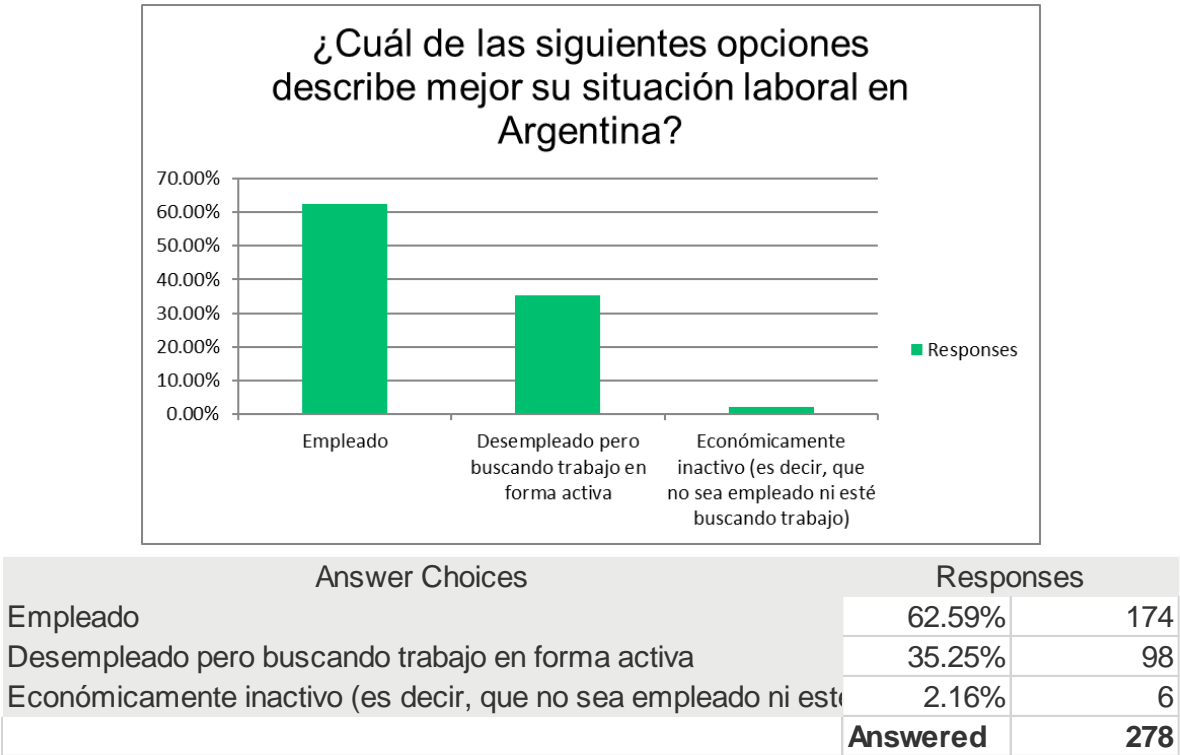
**Figure 31**



Most respondents (89.21%) are either legal residents or citizens of Argentina. A majority of this subset (66.94%) have temporary residency that is valid for two years and eligible for renewal. Importantly, since residency offers the legal opportunity to work, this data shows that a high percentage of Venezuelans are therefore eligible to be employed by the formal sector. A more detailed explanation on the residency application process is included in Chapter V.

**Employment situation**

**Figure 32**

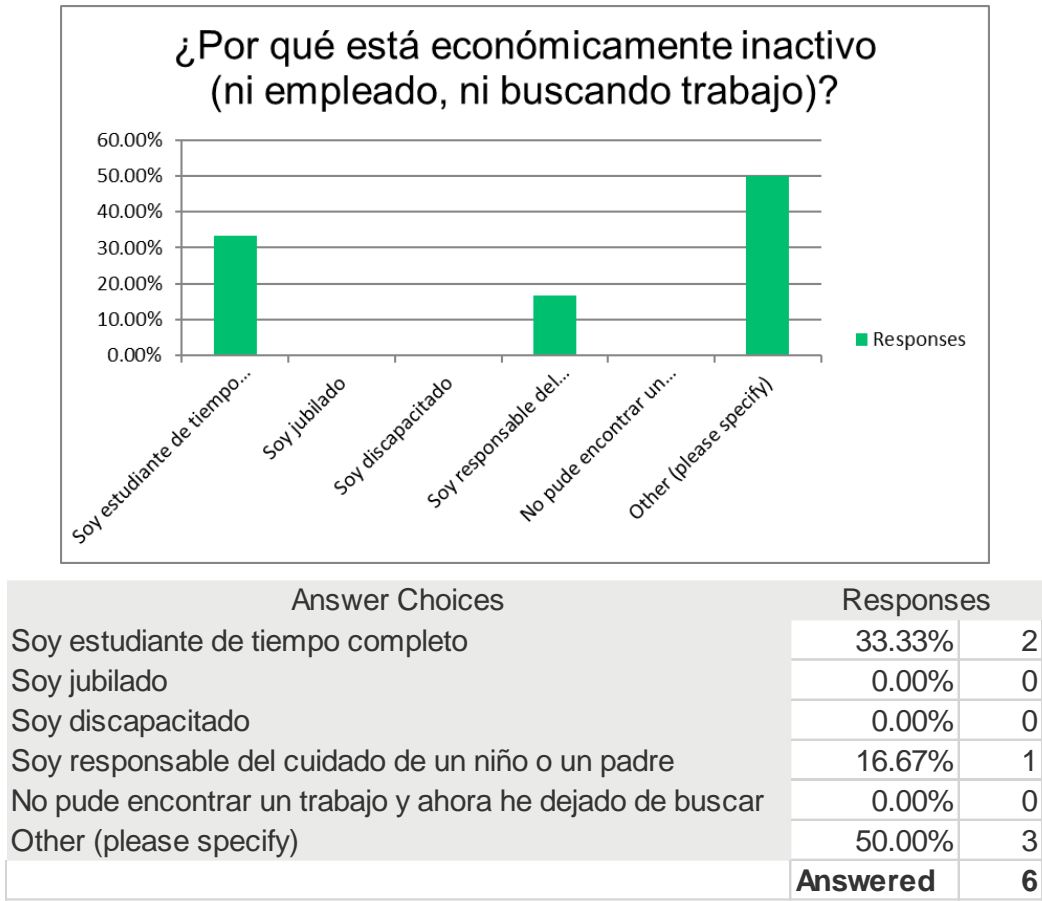


The unemployment rate among respondents is 36.03%. This rate is high considering that the unemployment rate in Argentina is only around 10%. It should be noted that the unemployment rate for respondents may be inflated since a high percentage of respondents (32.37%) only just arrived in Argentina less than one year before. New arrivals often need time to adjust to the labor market and find employment. Excluding respondents who arrived one year prior or before, the unemployment rate drops to 23.50%. However, this figure is still high compared to the Argentine national unemployment rate. Moreover, only six respondents are

economically inactive which makes sense given most are of working age and came to Argentina for better economic opportunities.

**Economic inactive population**

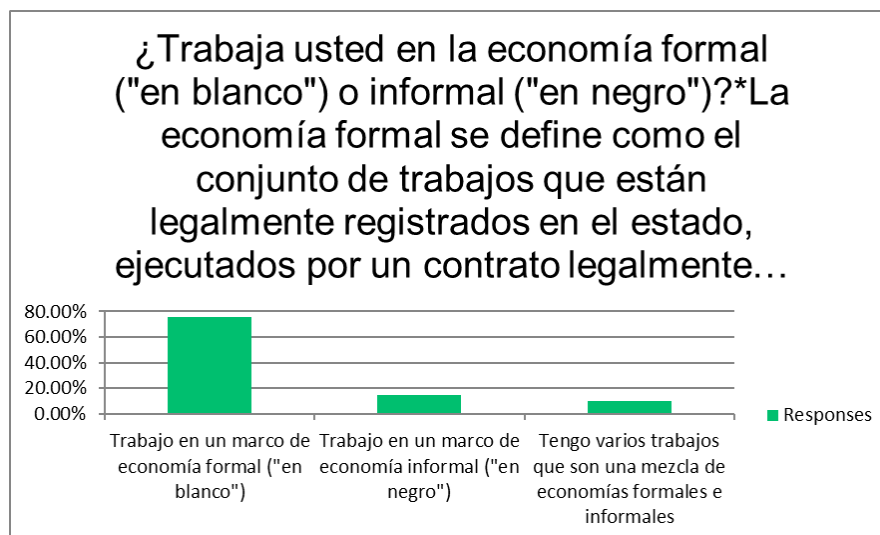
**Figure 33**



Of the six respondents who are economically inactive, two are full-time students and one is responsible for taking care of a child or parent. Those who responded as “other” were a housewife and two individuals awaiting degree accreditation before searching for employment.

## **Formality of employment**

**Figure 34**



Answer Choices	Responses	
Trabajo en un marco de economía formal ("en blanco")	75.86%	132
Trabajo en un marco de economía informal ("en negro")	14.37%	25
Tengo varios trabajos que son una mezcla de economías formales e informales	9.77%	17
	<b>Answered</b>	<b>174</b>

Of the respondents that are employed, most (75,86%) reported that they work in the formal economy. On the other hand, 14.37% of employed respondents work in the informal economy and 9.77% have jobs both in the formal and informal economies. Overall in Argentina, over 35% of the employed population is estimated to work in the informal economy.<sup>133</sup> The relatively low percentage of respondents working in the informal economy may be due to the fact that many Venezuelan migrants are professionals. Even so, the informality rate among respondents would likely be lower if it were not for underemployment.

## **Employment search process**

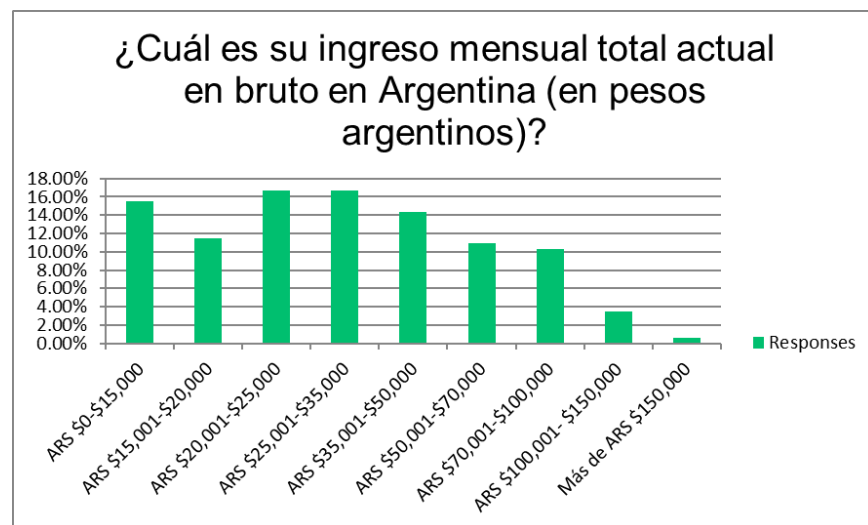
Employed respondents were asked an open question regarding how they found their current job(s). The most frequent answer was through personal contacts or relationships. The

<sup>133</sup> Ismael Bermudez, "Trabajo No Registrado: Según Datos Del INDEC, Crece El Trabajo En Negro y El de Los Cuentapropistas."

second most common response was through online job search sites such as Bumeran, Computrabajo, Indeed, or Zonajob. After personal contacts and online job search sites, the most common methods of finding work were through social media sites such as LinkedIn, Instagram, or Facebook and by personally reaching out to employers. Multiple respondents also found their current job(s) through traditional job agencies or headhunters, classified ads in newspapers, professional associations such as IngVenAr or Asomevenar, and physical ads posted outside of local businesses. Other answers, although less common, included people who were transferred to Argentina by the same company that they were working for in Venezuela and people who started their own businesses.

### Monthly income levels

**Figure 35**



Answer Choices	Responses	
ARS \$0-\$15,000	15.52%	27
ARS \$15,001-\$20,000	11.49%	20
ARS \$20,001-\$25,000	16.67%	29
ARS \$25,001-\$35,000	16.67%	29
ARS \$35,001-\$50,000	14.37%	25
ARS \$50,001-\$70,000	10.92%	19
ARS \$70,001-\$100,000	10.34%	18
ARS \$100,001- \$150,000	3.45%	6
Más de ARS \$150,000	0.57%	1
	<b>Answered</b>	<b>174</b>

Gross monthly income among employed respondents is relatively well distributed among income brackets below ARS \$100,001-\$150,000 (~USD \$1,700-\$2,575). Overall, 47.71% of respondents earn between ARS \$20,001-\$50,000 (~USD \$345-\$860) per month. Notably, there is also a spike in respondents (15.52%) that have very low monthly incomes of between ARS \$0-\$15,000 (~USD \$0-\$26). According to INDEC, the average monthly income for men in Argentina during the first quarter of 2019 was ARS \$23,128 and for women was ARS \$17,041.<sup>134</sup>

Since exact income figures from respondents were not collected, the mean average of respondents' monthly incomes was calculated using the middle value of each income bracket. For the highest income bracket with no upper limit, the figure of ARS \$150,000 was used in the calculation. In the end, the mean average income of respondents was calculated to be ARS \$37,830 per month, higher than both the average monthly incomes of both employed men and women in Argentina. Again, this is probably attributed to the fact that such a high proportion of Venezuelans are professionals. However, this figure is still lower than the average monthly income for professionals in Argentina during the first quarter of 2019 of ARS \$41,594 according to INDEC.<sup>135</sup> This difference in earnings may partially be attributed to the underemployment of some Venezuelan professionals in Argentina.

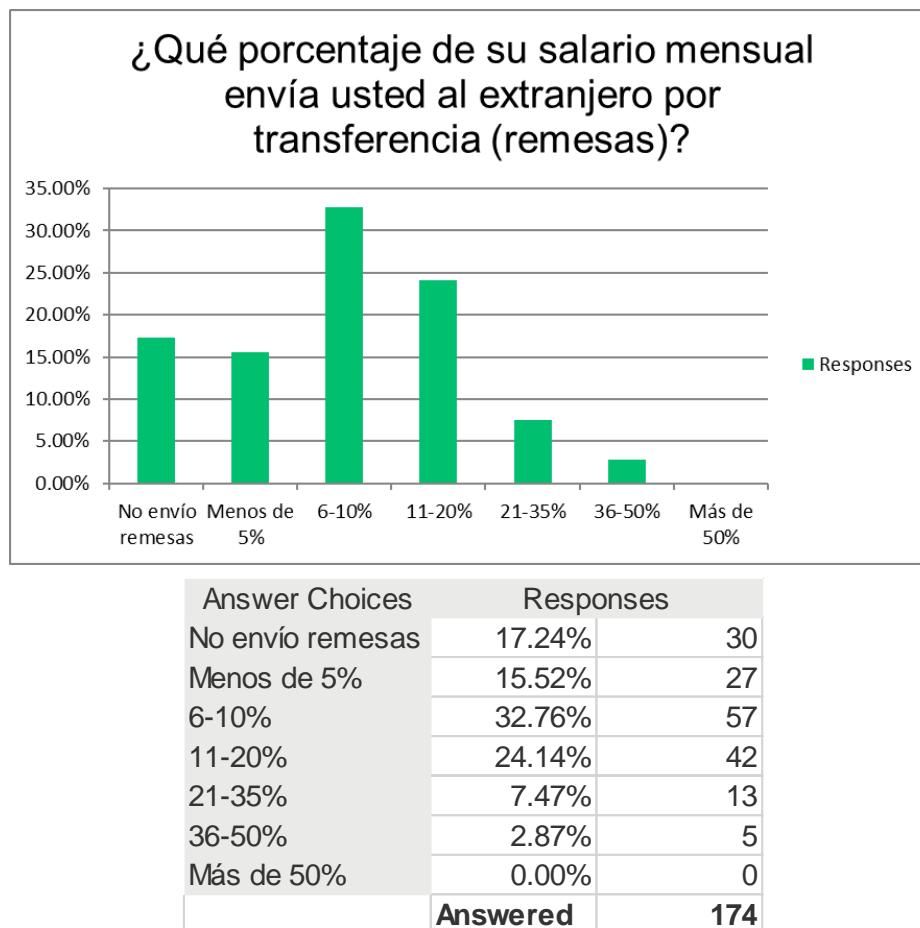
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<sup>134</sup> "Ingreso Medio de Los Ocupados Según Variables Seleccionadas."

<sup>135</sup> Ibid.

## Remittances

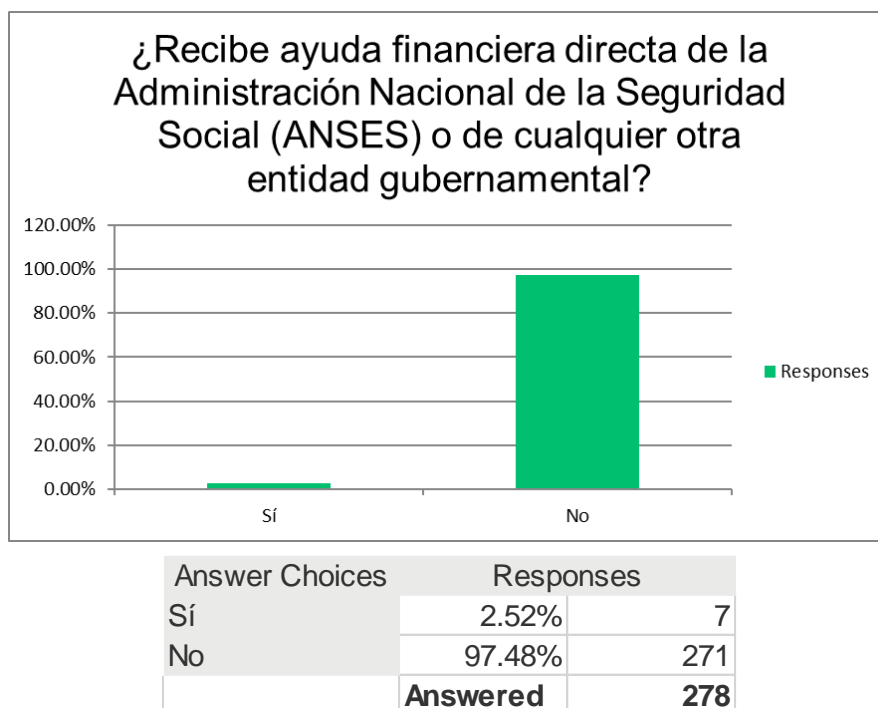
Figure 36



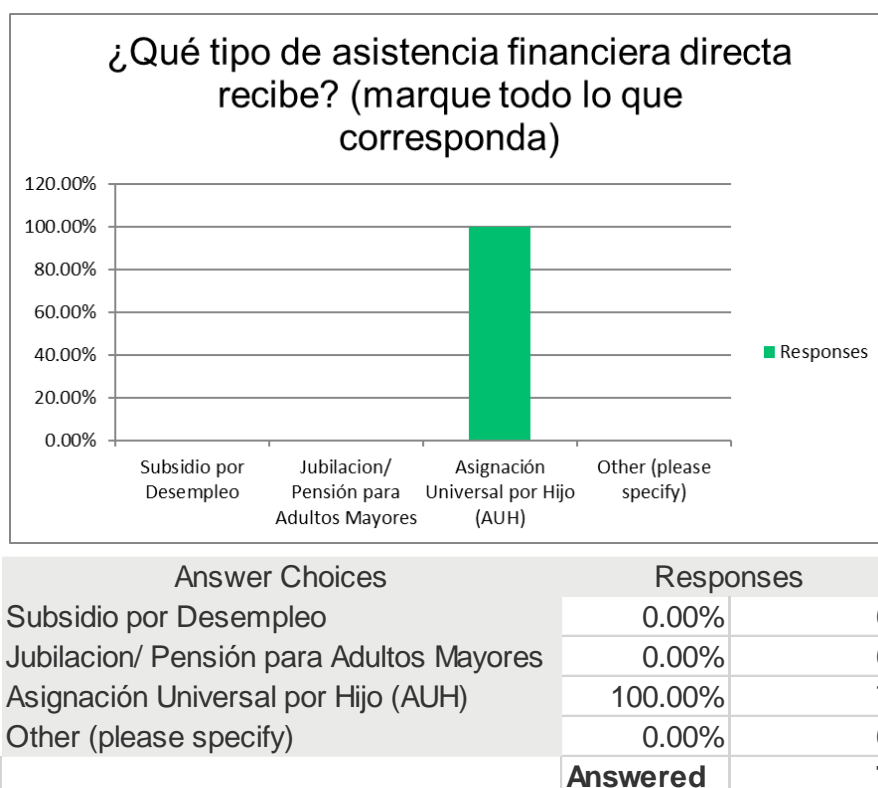
The largest percentage of employed respondents (32.76%) send remittances abroad equivalent to 6-10% of their monthly income. The second largest percentage of employed respondents (24.14%) send 11-20% of their monthly income abroad as remittances.

## Government financial assistance

**Figure 37**



**Figure 38**





As seen above in Figure 37, the great majority of respondents (97.48%) do not receive any type of direct financial assistance from the Argentine government. As seen in Figure 38, all those who do receive financial assistance do so through the government program Asignación de Hijo (AUH), which provides financial support to families with children. According to Mari Quarteroni, a consultant at the Ministry of Economic Affairs for the Province of Buenos Aires, AUH is the most popular financial assistance program in Argentina. On the contrary, Quarteroni explains that unemployment financial support from the government is not common in Argentina since in order to be eligible the individual needs to have worked in the formal economy, be fired without just cause, and be more than 35 years old. Moreover, unemployment payments from the Argentine government are limited to a maximum of 12 months.<sup>136</sup> Respondents receiving financial assistance from AUH claim to collect between ARS \$1500-\$2800 (~USD \$25-\$47) per month from the government.

## **Discrimination**

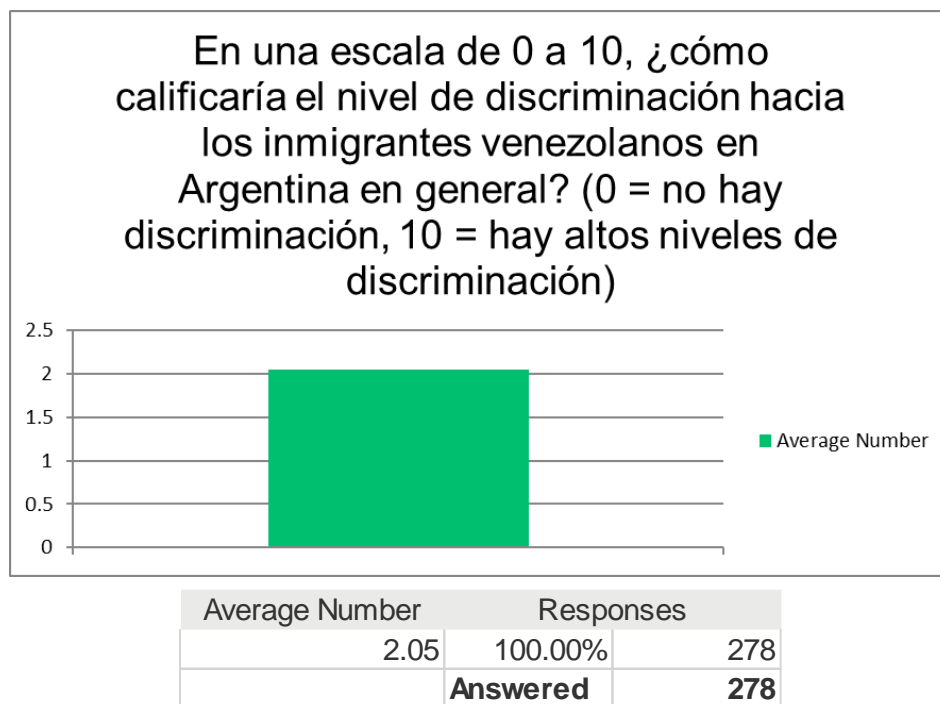
Results suggest that discrimination towards Venezuelan migrants from Argentines is relatively low. In Figure 39 below, respondents gave an average discrimination score of 2.05 out of 10, with 0 being no perceived discrimination and 10 being high levels of perceived discrimination. As seen in Figure 40, 68.35% of respondents responded as having experienced no discrimination in the workplace or in the hiring process for being Venezuelan. A lesser but still significant number of respondents (23.02%) cited having felt being discriminated against in the employment or hiring process for being Venezuelan. In general, there seems to be a direct relationship between low levels of discrimination felt by Venezuelan migrants in Argentina and the lack of a strong backlash from natives such as has occurred in other countries in the region in

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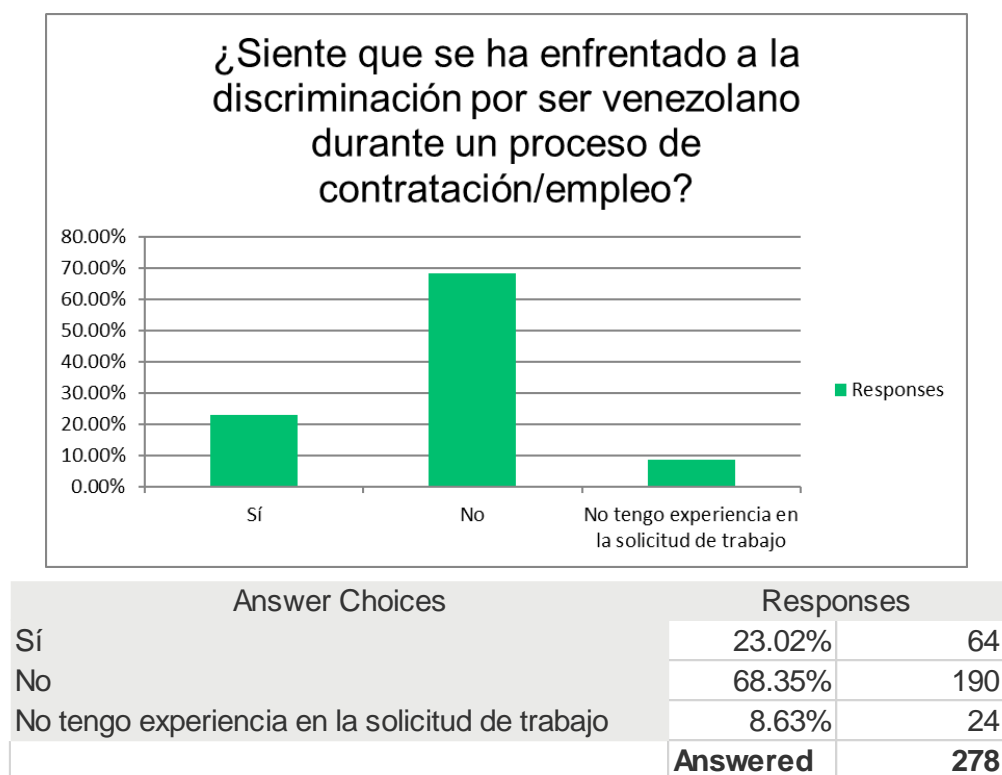
<sup>136</sup> Mari Quarteroni, Interview with Mari Quarteroni, Consultant at the Ministry of Economic Affairs Buenos Aires.

response to the sudden inflow of large numbers of Venezuelan migrants. A more detailed discussion on the backlash towards Venezuelan migrants in Argentina is included in Chapter VI.

**Figure 39**



**Figure 40**



## **Chapter V: The Underemployment of Venezuelan Migrants**

This chapter looks exclusively at the underemployment of Venezuelan migrants in Argentina. Data from the *Economic Integration Survey* and insight obtained through interviews are used to determine the scope of underemployment among members of the Venezuelan community in Argentina. Using ILO guidelines, underemployment is measured for the entire population of survey respondents and more specifically for two of the largest groups of Venezuelan professionals in Argentina, engineers and doctors. The causes of underemployment are then described in general terms for the entire population and outlined more specifically in the cases of Venezuelan engineers and doctors.

A discussion on actions that the Argentine government has already taken to help reduce Venezuelan underemployment then follows. These include changes in the degree accreditation and residency application processes and the development of a new digital employment search platform. Commentary and suggestions to the Argentine government about ways to reduce underemployment among Venezuelans in Argentina from underemployed migrants themselves are also included. Finally, the important role played by organized members of the Venezuelan community in Argentina in helping reduce migrant underemployment and make the relocation and assimilation processes in Argentina easier for new arrivals is highlighted.

### **Underemployment methodology**

As previously mentioned, the methodology used to measure underemployment will be based on the guidelines set forth by the ILO. For measuring time-related underemployment, the ILO suggests using a national standard for determining how many hours per a reference period is considered “full time.” For the *Economic Integration Survey*, it was decided to use the standard employed by INDEC which defines “full time” in Argentina as working 35 hours or more per

week after accounting for all of one's various jobs.<sup>137</sup> Those who work less than 35 hours per week are therefore defined as working "part-time." Using these guidelines, an individual is considered time-based underemployed in the *Economic Integration Survey* if they responded as 1.) working less than 35 hours per week after accounting for all their jobs AND 2.) willing and capable of working more hours per week.

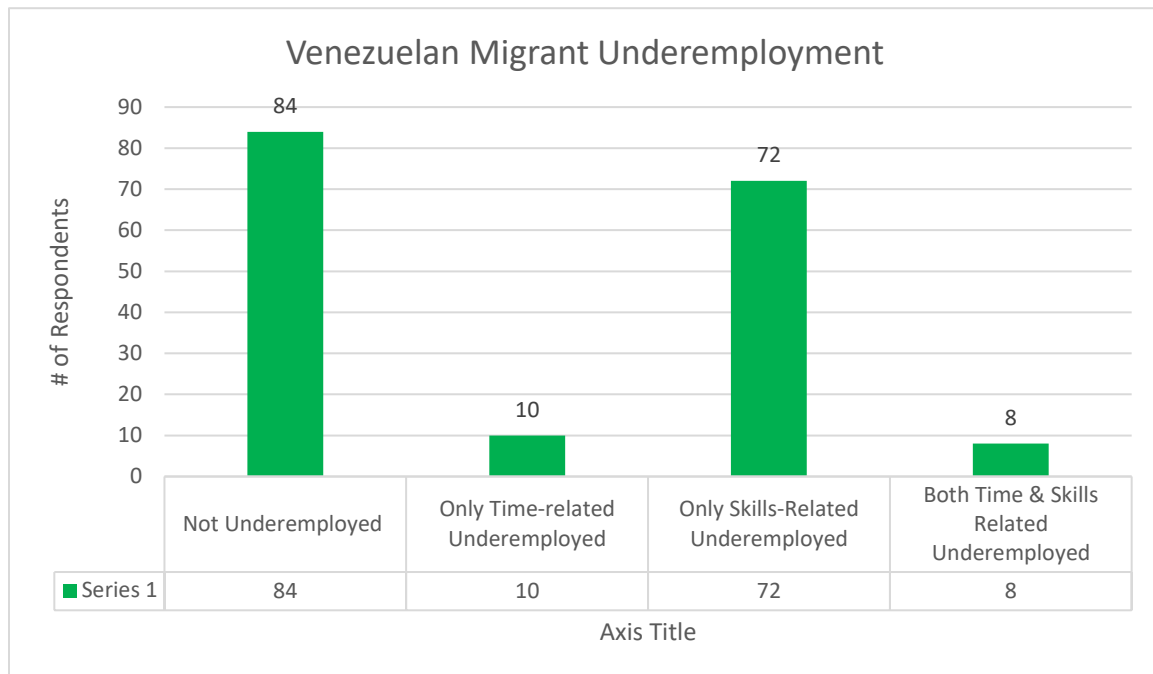
Skills-related underemployment was also measured using guidelines set forth by the ILO. After a series of questions, respondents were determined to be skills-related underemployed if they 1.) did not feel that their current primary job in Argentina utilized their education, professional experiences, and/or skills AND 2.) were willing and able to take on another job that better utilized their education, professional experience, and/or skills. As mentioned earlier, the two forms of underemployment are not mutually exclusive which means that respondents can be both time and skills-related underemployed. Finally, it should also be noted that underemployment is self-assessed by workers and therefore its measurement is subjective despite attempts to reduce this subjectivity by imposing parameters and guidelines.

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<sup>137</sup> "Encuesta Permanente de Hogares Conceptos de Condición de Actividad, Subocupación Horaria y Categoría Ocupacional," 2.

## Underemployment over entire survey population

Figure 41



Total employed population: 174

Total underemployed: 90

% underemployed: 51.72%

As seen above in Figure 41, the percentage of all Venezuelan migrants surveyed that are underemployed in one form or another is high at 51.72%. Furthermore, most of the underemployed population (80%) is only skills-related underemployed. Those that are only time-related underemployed or both time and skill-related underemployed represent 11.11% and 8.89% of the total underemployed population respectively. These numbers suggest that skills-related underemployment is a much bigger problem among Venezuelan migrants than time-related underemployment.

Conclusions that can be made are that most migrants (89.66%) who are employed are thus working full-time or are working part-time and do not have the ability or desire to work full-time. However, 46.51% of the employed population report that their primary job does not utilize their skills, education, or professional experience and that they would like another job that does

utilize these competencies. Based on these statistics, reducing skill-related underemployment among Venezuelan migrants should therefore be a priority for policymakers when addressing the issue of underemployment.

### **Causes of underemployment among Venezuelan migrants**

The causes of underemployment of Venezuelan migrants differ depending on profession. However, in Argentina they are usually one or a combination of certain factors. One of these is the poor state of the Argentine economy. Argentina is suffering from an economic recession with GDP dropping 1.77% over the last year and inflation hovering at 54%.<sup>138</sup> The unemployment rate also increased over the last year from 9.6% to 10.6%.<sup>139</sup> Under these conditions, it is often difficult for both immigrants and Argentines alike to find satisfying work.

An interview with Dr. Gabriela Sala, a demographer and researcher at the National Research Council of Argentina (CONICET), provided additional insight on the issue of underemployment, which she claims is mostly macro-economic in nature. According to Sala, “underemployment is a serious problem faced not only by immigrants but also Argentines given the current economic conditions.” Sala also claims that underemployment in Argentina has resulted from the inability of the job market to keep pace with the education of the populace. She says that over the last few decades Argentines have become increasingly more educated as more young people go to university. However, according to her, new jobs requiring this level of education have been slow to emerge, forcing graduates to accept jobs that are below their education level. Sala notes that this is a problem not only in Argentina, but in all Latin America.

A second factor in creating underemployment involves the difficulty and time associated with getting one’s degree accredited in Argentina. Before being able to practice professionally,

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<sup>138</sup> “Argentina - Consumer Price Index (CPI).”

<sup>139</sup> “Argentina - Unemployment Rate.”

many Venezuelan migrants must get their degrees accredited by the Argentine authorities. While this process has been expedited recently for Venezuelan migrants, it can still take more than a year to complete. In the meantime, many migrants find themselves in a state of underemployment and working in jobs that pay significantly less than others commensurate with their qualifications.

A third factor associated with underemployment involves unfamiliarity with how the job market works in Argentina. This includes not understanding how or where to find job opportunities. As with the poor Argentine economy, this factor can affect natives as well as immigrants if there is poor communication between those supplying jobs and those looking for jobs. This factor becomes particularly significant if there are job opportunities in certain areas of the country that are not promoted to qualified workers from other areas.

As seen in Figure 42 below, those considered underemployed in the *Economic Integration Survey* were asked the question, “What do you believe are the reasons you are underemployed in Argentina?” and to check all applicable responses. The most common response, constituting 43.33% of the total, involved the inability or difficulty associated with the accreditation of degrees, licenses, or certifications from Venezuela in Argentina. The second most common response was a poor Argentine economy and the current lack of jobs in their professional area. The two least cited responses were discrimination against foreign workers and little or no demand for their professional expertise or skills in Argentina, even in a good economy. “Other” responses were varied and attributed underemployment to discrimination, a lack of contacts in Argentina, or insufficient English skills.



**Figure 42**



Answer Choices	Responses	
La economía pobre y la actual falta de empleo en Argentina en mi área de especialización	23.33%	21
La poca o nula demanda de mi experiencia o habilidades profesionales en Argentina (incluso en una buena economía)	11.11%	10
La discriminación contra trabajadores extranjeros	7.78%	7
La incapacidad o dificultad para validar los títulos, licencias o certificaciones de Venezuela en Argentina	43.33%	39
La competencia laboral excesiva de otras personas con calificaciones similares en mi profesión	17.78%	16
La falta de conocimiento sobre las oportunidades de trabajo disponibles	21.11%	19
Other (please specify)	23.33%	21
	<b>Answered</b>	<b>90</b>

## **Where Venezuelan migrants work while underemployed**

Figure 43 on the next page presents a chart that shows the education and employment details of all those who consider themselves underemployed in the *Economic Integration Survey* in one form or another. Unfortunately, the data could not be isolated to include only those who experience skills-related underemployment. Listed are respondents' education levels, area of educations, primary occupation in Venezuela, and current occupation(s) in Argentina. Upon analysis, there are many clear cases of underemployment. The data show many educated professionals working in their field of expertise or a related field, but in a lower-level position. Examples include medical doctors working as laser-hair removal specialists, caretakers assisting the sick or elderly, or pharmaceutical employees. Other professionals are working in lower-level positions in fields completely unrelated to their education or previous work experience.

Common examples include engineers working as waiters, retail vendors, cleaning personnel, cooks, delivery people, store clerks, or call center employees.

In a conversation with a Buenos Aires-based human resources manager at PedidosYa, one of the largest online food delivery companies in Latin America, it was explained that around 14% of all the “cadetes” that work directly for the company in Buenos Aires are Venezuelan. Cadetes are the food delivery people and personal shoppers who perform deliveries door-to-door on bicycle or motorcycle. Specifically, he says 124 of the 839 cadetes working for PedidosYa in Buenos Aires are from Venezuela. If independent contract workers are included, he estimates that the percentage of Venezuelans working as cadetes for the company in Buenos Aires is closer to 25%.

Sala, who has performed research on various immigrant communities in Argentina, says that it is common to see educated Venezuelans working in little shops in barrio once in Buenos Aires, a neighborhood with a historical reputation for small, often informal, immigrant-owned businesses. She also says that Venezuelans in particular are active in the food industry typically working as waiters, cooks, or delivery people. Unfortunately, she says that these high-turnover businesses often exploit vulnerable immigrant workers such as Venezuelans. Interestingly, she notes that some Venezuelans in Argentina have also started businesses out of their own houses as a form of collecting additional sources of income.

**Figure 43**

## Education and Employment Details of Underemployed Respondents

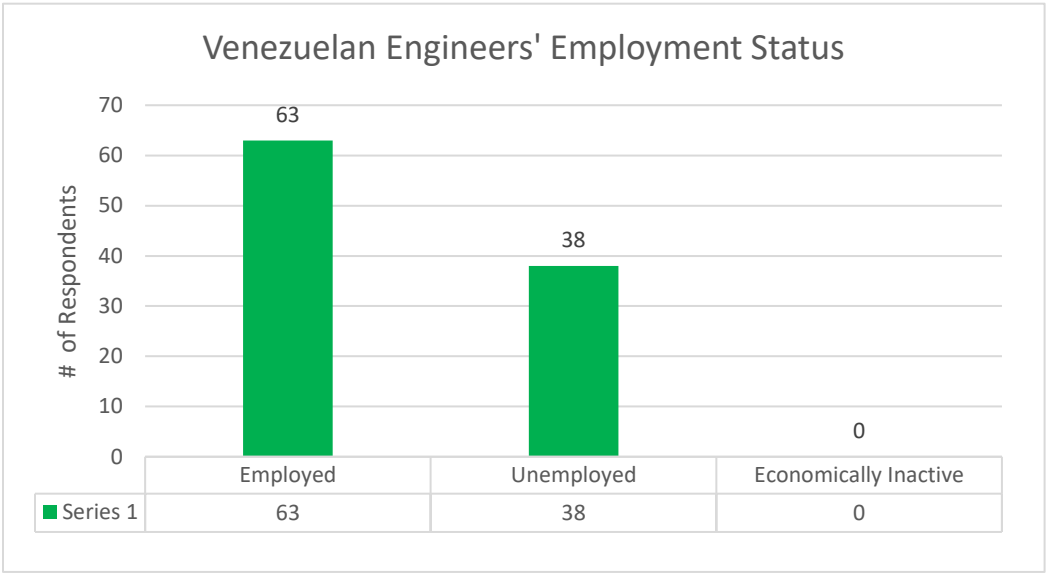
Nivel de educación	Campo de educacion	Ocupación en Venezuela	Ocupación(es) actual en Argentina
Response	Response	Open-Ended Response	Open-Ended Response
Graduado de posgrado	Educación y Pedagogía	Profesor de Matematica	Ayudante de Carnicería
Graduado de la universidad	Educación y Pedagogía	Investigador docente	Community manager
Graduado de una escuela técnica/de oficios		Asistente	Call Center
Graduado de posgrado	Biología, Bioquímica y Biotecnología	Biólogo	Ventas en una Pyme
Actualmente con un posgrado en curso	Economía	Economista, semi senior.	Consultor financiero junior
Graduado de la universidad	Medicina y Salud	Médico	Cuidador
Actualmente en la universidad	Marketing y Comercio	Estudiante universitaria	Servir en un heladería
Graduado de la universidad	Medicina y Salud	Médico	Operador telefónico
Graduado de la universidad	Medicina y Salud	MEDICO GENERAL	RECEPCIONISTA / MEDICO
Graduado de posgrado	Medicina y Salud	Oftalmólogo	Técnico óptico
Graduado de posgrado	Medicina y Salud	Cirujano General	Médico general, cirujano general
Graduado de la universidad	Medicina y Salud	Ejercicio de la medicina	Depilacion laser en un centro de medicina estetica
Graduado de posgrado	Medicina y Salud	Anestesiología	Farmacia
Graduado de la universidad	Medicina y Salud (no médico)	Enfermera	Cuidadora
Graduado de la universidad	Medicina y Salud	MEDICO	Remisero
Graduado de la universidad	Medicina y Salud	Médico	Técnica en depilación láser
Actualmente con un posgrado en curso	Medicina y Salud	Médico	Medico de planta de clínica
Actualmente con un posgrado en curso	Medicina y Salud	Medico residente de posgrado en Pediatria. ( cursando el 3er año)	Vendedor en una perfumería
Graduado de la universidad	Medicina y Salud	Médica	Cuidadora de paciente
Graduado de posgrado	Medicina y Salud	Medico	Cuidadora
Graduado de posgrado	Medicina y Salud	Medico	Empleado en tienda venta de quesos, licores, dulces.
Graduado de la universidad	Medicina y Salud	Médico	Cuidadora domiciliaria
Actualmente en la universidad	Marketing y Comercio	Community Manager!	Trabajo como Community manager en un centro estético médico "Ibody Center"
Graduado de posgrado	Ingeniería Petrolera	Ingeniero de producción/planificación, representante técnico comercial	Operario de limpieza
Graduado de la universidad	Ingeniería Mecánica	Ingeniero de operaciones en campo petrolero	Seguridad
Graduado de la universidad	Ingeniería Petrolera	Ingeniero de Yacimientos	Operario en una fábrica
Graduado de la universidad	Ingeniería Industrial	Líder de producción petrolera	Coordinador de limpieza
Graduado de la universidad	Ingeniería Informática	Gerente y Asesor	Desarrollador de Aplicaciones Web
Graduado de la universidad	Medicina y Salud (no médico)	Enfermera	Cuidador de pacientes
Graduado de la universidad	Ingeniería Industrial	Ingeniero Industrial y Representante de Ventas de Repuestos Automotrices	Ayudante de Cocina
Graduado de la universidad	Ingeniería Mecánica	Ingeniero mecánico especialidad Piping	Trabajo como asistente de ingeniería, estoy en blanco pero me pagan una parte en negro
Graduado de la universidad	Ingeniería Mecánica	Ingeniero de Mantenimiento,	Mecánico
Graduado de posgrado	Finanzas	Gerente de Tecnología	Gerente de IT
Graduado de la universidad	Ingeniería Mecánica	Ingeniero de Proyectos	Ingeniero de mantenimiento en Later - Cer
Graduado de la universidad	Ingeniería Eléctrica	Supervisor de Mantenimiento	Oficial de mantenimiento eléctrico
Graduado de posgrado	Educación y Pedagogía	Investigadora y Educadora museística	Cuidadora
Graduado de la universidad	Ingeniería Industrial	Ingeniero de campo en perforación de pozos petrolíferos	Community manager, supervisor de almacén
Graduado de la universidad	Ingeniería Petrolera	Ingeniero de proceso	Atención al cliente en un kiosco
Graduado de la universidad	Ingeniería Civil	Jefe de obra y proyectista	Supervisor de obra bajo monotributista
Actualmente con un posgrado en curso	Ingeniería Petrolera	Minería y Petróleo	Shopper de Rappi
Graduado de la universidad	Ingeniería Mecánica	Supervisor Mecánico, en la industria petrolera.	Empresa de transporte
Graduado de la universidad	Ciencias de la Computación	Técnico de Computación y Redes	Encargado de deposito de repuestos
Graduado de la universidad	Ingeniería Agronómica	En venezuela me dedicaba a la producción de frutas y hortalizas!	Encargado de una cervecería artesanal! , y ayudante de carpintería
Actualmente con un posgrado en curso	Ingeniería Industrial	Trabajar en el área de la Seguridad industrial y gestión ambiental	Repositora de mercadería
Graduado de la universidad	Ingeniería Química	Ingeniero de proyectos	Higienista de calidad
Graduado de la universidad	Ingeniería Mecánica	Ingeniero	Taller mecánico
Graduado de la universidad	Ingeniería Petrolera	Asistente administrativa	Vendedor
Graduado de una escuela técnica/de oficios		Carpintería	Electricista industrial
Graduado de una escuela técnica/de oficios		Mecánico para chrysler	Ayudante de obrero
Graduado de la universidad	Ingeniería Petrolera	Comerciante	Atencion al publico
Graduado de la universidad	Administración de Empresas	Administrador	Comprador Senior
Actualmente con un posgrado en curso	Ingeniería de Sistemas	Gerente de Proyectos	Analistas Sr en monitoreo
Graduado de la universidad	Ingeniería Forestal	Estudiante Universitario	Camarero
Graduado de la universidad	Ciencias de la Computación	Consultor Sap	Consultor SAP
Graduado de la universidad	Administración de Empresas	Consultor de Ventas en el Área de Telecomunicaciones	Ventas de auto, por ahora solo un solo empleo
Graduado de la universidad	Medicina y Salud (no médico)	Enfermería	Enfermería
Graduado de la universidad	Educación y Pedagogía	Docente orientadora. Directora de escuela	Cancha deportiva
Actualmente en la universidad	Marketing y Comercio	Estudio	Vendedora en unan tienda de ropa
Graduado de posgrado	Arquitectura	Presidente de una empresa de proyectos y construcción.	director de proyectos
Graduado de la universidad	Medicina y Salud (no médico)	Licenciada en Enfermería	Cuidadora de ancianos en blanco, asistencia en el hogar en negro
Graduado de la universidad	Ingeniería Petrolera	Estudiar	Cajero en Western Union
Actualmente en la universidad	Ingeniería Informática	Auxiliar de publicaciones de una aerolínea	Ayudante de cocina
Graduado de la universidad	Ingeniería Civil	Ingeniero Civil	Cajero en supermercado
Graduado de la universidad	Ingeniería Petrolera	Ingeniero de petróleo, como mudlogger en compañía americana	Actualmente estoy cambiando de trabajo, estaba en una contrata (servicio tercerizado) de
Graduado de la universidad	Artes y Diseño	Violinista de Orquesta y profesor de música	Maestranza
Graduado de la universidad	Psicología y Psicopedagogía	Estudiar y trabajar como empleado	1. Trabajo como fotógrafo de eventos sociales (bodas, 15 años, graduaciones, etc). 2. Traba
Graduado de la escuela secundaria		Estudiante	Mozo, vendedor
Graduado de la universidad	Comunicación, Imagen y Sonido	Agente de Viajes	recepcionista en el día (formal), telemarketer de una pizzería (informal
Graduado de posgrado	Otra (especifique)	Traductor e intérprete de conferencias y traductor jurado	Profesor de inglés in Compact y traductor autónomo monotributista.
Graduado de la escuela secundaria		Estudiante de ing de sistemas de la universidad de los andes	Mozo
Graduado de la escuela secundaria		Tecnico Electronico	Tecnico electronico
Graduado de la universidad	Relaciones Públicas	Asistente	Call center
Graduado de una escuela técnica/de oficios		Traductor de inglés	Monotributista independiente
Actualmente en la escuela secundaria		Estudiante	Agente de cobranzas call center
Graduado de una escuela técnica/de oficios		Tripulante de cabina	Camarero
Actualmente en la universidad	Ingeniería Química	Estudiante	Encargado de un restaurante
Graduado de la universidad	Ingeniería Industrial	Investigador	Analista semi senior de marketing don't
Graduado de la universidad	Medicina y Salud	Estudiante de medicina	Especialista de productos en empresa de venta de insumos médicos
Graduado de la universidad	Medicina y Salud (no médico)	Enfermera	Acompañante de pacientes
Actualmente en la universidad	Administración de Empresas	Estudiante	Call center
Graduado de la universidad	Derecho y Criminología	Abogada	Cuidadora domiciliaria
Actualmente con un posgrado en curso	Medicina y Salud	Odontóloga	Odontologa
Graduado de la universidad	Otra (especifique)	Militar Activo. Me fui de baja en el grado de Teniente de Fragata	Call Center de Cobranzas. Limpieza de casas. Manicura y Pedicura.
Graduado de la universidad	Ingeniería Eléctrica	Gerencia de Ingenieria y construccion	Cuidador geriátrico
Graduado de la universidad	Psicología y Psicopedagogía	Psicóloga	Mensajería ( glovo y rappi). Y empleada doméstica
Actualmente en la universidad	Medicina y Salud	Lavados de autos	Repartidor domiciliario .
Graduado de la universidad	Artes y Diseño	Estudiante	Comerciante
Graduado de la universidad	Otra (especifique)	Analista de operaciones internacionales	Cajera
Graduado de la universidad	Ingeniería Electrónica	Técnico electrónico sistema de incendios	Técnico sistemas de incendios Prosegur
Graduado de la universidad	Comunicación, Imagen y Sonido	Locutor , periodista	Analista de Recursos humanos, locutor, coach ontológico asistiendo a emprendedores para

## **Case study of Venezuelan engineers**

According to the DNM, 16,234 Venezuelan engineers have migrated to Argentina from 2015-2018, making it the largest collective group of Venezuelan professionals living in Argentina. Of the 278 respondents to the *Economic Integration Survey*, 101 are engineers and therefore make up 36.33% of the entire survey population. In figure 44 below it is seen how the unemployment rate of surveyed Venezuelan engineers is high at 37.62% and slightly higher than the unemployment rate of the entire survey population (36.03%). It should be noted, although, that as is the case with the entire survey population, a high percentage of engineers (31.68%) arrived in Argentina less than one year ago. This suggests that many may not have had a fair amount of time to settle down and find employment before taking this survey and that the unemployment rate may be higher than it would be had more migrants arrived earlier.

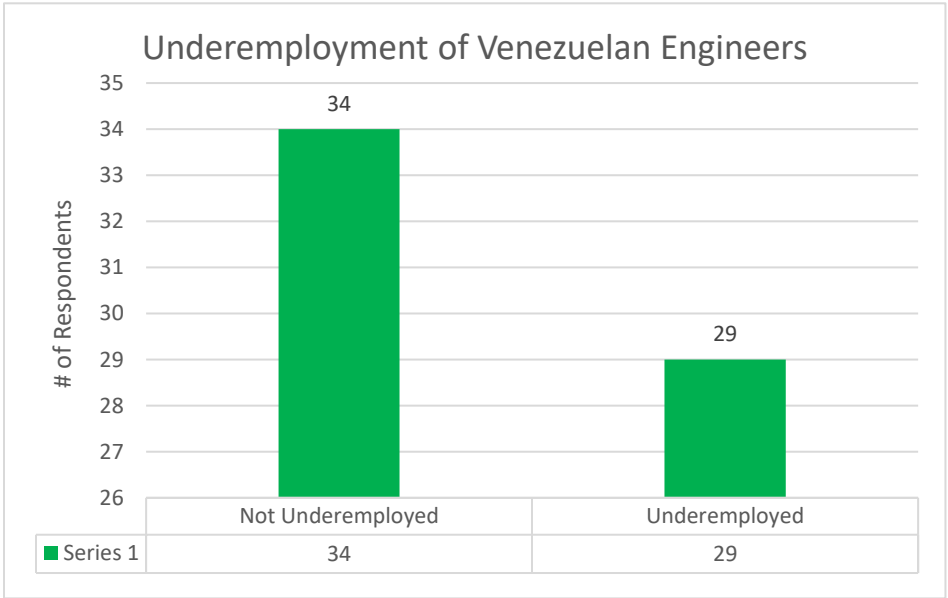
Among the employed group of surveyed Venezuelan engineers, 46.03% considered themselves underemployed as seen in Figure 45. Figure 46 shows that among the underemployed, 86.21% consider themselves only skills-related underemployed, 6.9% consider themselves only time-related underemployed, and 6.9% consider themselves both skills & time-related underemployed. This means a significant majority of the underemployed (93.10%) feel that their education, skills, and professional qualifications are not being fully utilized in their current occupation while only a minority (13.80%) are working part-time but want to and are able to work full-time.

Figure 44



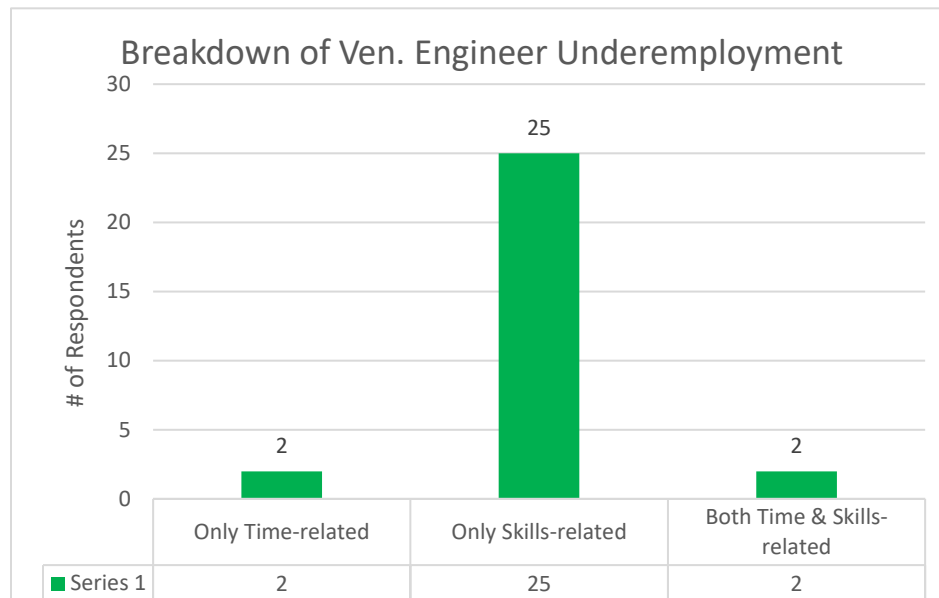
Unemployment Rate: 37.62%

Figure 45



Underemployment Rate: 46.03%

**Figure 46**



In order to learn more about the employment situation of Venezuelan engineers in Argentina, interviews were conducted both with Dr. Gabriela Sala and Carmen Rodriguez, director of the professional association Ingenieros Venezolanos en Argentina (IngVenAr)<sup>140, 141</sup>. Discussions with both Sala and Rodriguez both support findings from the *Economic Integration Survey* that suggest that underemployment is a serious problem suffered by many Venezuelan engineers in Argentina.

Sala claims that the underemployment of Venezuelan engineers in Argentina is mostly a result of macro-economic factors rather than bureaucratic hurdles. As the main causes, she cites a poor Argentine economy and a mismatch in the types of engineers currently in demand in Argentina versus the types that are being supplied by migrants. Both Sala and Rodriguez assert

<sup>140</sup> IngVenAr was started as a non-profit professional association in 2017 with the primary objective of promoting the professional growth of the Venezuelan engineering community in Argentina. Some of the organization's primary activities include helping members search for jobs, educating members about the degree accreditation process, and collecting data that can then be shared with Argentine policymakers.

<sup>141</sup> Gabriela Sala, Interview with Dr. Gabriela Sala, Researcher at CONICET; Carmen Rodriguez, Interview with Carmen Rodriguez, Director at IngVenAr.

that the types of engineers currently in highest demand in Argentina are computer and systems engineers, which are a minority among Venezuelans. Instead, most Venezuelan engineers living in Argentina are petroleum and industrial engineers previously employed in Venezuela's petroleum sector. Of the 101 Venezuelan engineers surveyed in the *Economic Integration Survey*, 33.66% are industrial or petroleum engineers while only 5.94% are computer or systems engineers.

According to Sala, structural differences in the Argentine and Venezuelan economies have naturally created demand for different types of engineers in each country. Unfortunately, this means that there are not enough jobs for the many immigrating petroleum and industrial engineers from Venezuela, some of whom were initially drawn to Argentina because of its developed petroleum industry. However, she notes that the petroleum industry in Argentina is markedly smaller than its counterpart in Venezuela and therefore does not offer an equal amount of job opportunities, resulting in unemployment and underemployment.

Making matters worse, Rodriguez, who is a petroleum engineer herself, claims that the skills and knowledge of petroleum engineering are very specific to the field and are not easily transferrable to other forms of engineering. Both Sala and Rodriguez also believe that the problem of underemployment will only worsen as more Venezuelan engineers migrate to Argentina and compete for the same amount of jobs. In fact, Sala claims, "even before the arrival of Venezuelans, the labor market for engineers was in crisis in Argentina so you can only imagine the large impact all these new Venezuelan engineers are having [translated from Spanish]."

Moreover, Salsa divides the migratory flow of Venezuelan petroleum and industrial engineers to Argentina into two waves. The first arrived between 2003-2004 after Hugo Chávez fired almost half of PDVSA's workforce for leading a strike that wreaked havoc on the

Venezuelan economy. According to Sala, while the majority of these fired engineers left to the U.S. and Canada, a small proportion decided to emigrate to Argentina. Rebounding from the country's 2001 economic collapse and bolstered by high oil prices, Argentina's oil industry experienced a period of growth during this period. As a result, this small group of Venezuelan engineers in Argentina were able to find well-paying jobs with YPF, the country's largest oil company that at the time was majority-owned by the Spanish corporate giant Repsol. In Sala's words, "this first wave of Venezuelan engineers was successfully integrated into the Argentine labor force in a manner in which their education and skills were fully utilized, resulting in few incidences of underemployment [translated from Spanish]."

The second and current wave of Venezuelan petroleum and industrial engineers includes those that have arrived within the last five years in response to Venezuela's current economic and political crises. As Sala explains, unlike during the first wave, the Argentine petroleum industry has been unable to absorb the much larger numbers of Venezuelan engineers that have arrived during this second wave. Compounding the problem have been constant delays in the development of the Vaca Muerta shale oil and gas field, which is still expected to fuel job growth as an estimated 22.5 billion barrels of oil reserves begin to be exploited. These delays are attributed to low global oil prices and current economic difficulties in Argentina, which have disincentivized new development.

Furthermore, the cost of living is prohibitively high in the primary regions of oil development in Neuquén and Río Negro. According to Sala, unlike migrants from the first wave, migrants in the second wave often arrive in Argentina with little to no financial resources. Many of these migrants are forced to sell all their personal belongings just to migrate to Argentina and are unable to afford the high housing prices in the areas where they are most likely to find jobs in their areas of expertise.



Both Sala and Rodriguez claim that these regions are in fact more expensive to live in than the city of Buenos Aires and that many engineers must first accept less-skilled jobs in Buenos Aires to improve their financial standing before taking the risk of moving to the relatively more expensive oil producing areas with the hope of finding employment. According to Sala, not already living in these regions is a major impediment to finding employment since employers look more favorably upon the many job-seeking engineers already residing in the area. In summary, a combination of oversupply of petroleum engineers, delays in the development of Vaca Muerta, and high housing prices in the oil producing regions of Argentina have contributed to high unemployment and underemployment among this second wave of Venezuelan petroleum and industrial engineers.

Speaking more generally about all types of Venezuelan engineers, Sala suggests that most underemployment is characterized by macro-underemployment rather than micro-underemployment. As previously discussed, this means that engineers are underemployed at the group, rather than at the individual level. Exceptions however are found in the cases of older engineers and female engineers, who are often discriminated against because of their age or gender. Both Rodriguez and Sala pointed out that it is a challenge for older, more experienced engineers to find work in Argentina because companies are unwilling to pay their higher salaries and, in the case of computer and systems engineers, are looking for younger engineers educated in the latest technologies. This stands in contrast to Venezuela, where older engineers are usually valued more highly than younger engineers. Sala also notes that for years female engineers have been a minority in Argentina and those that are in the profession are often paid less or offered fewer job opportunities.

In the case of Venezuelan engineers, degree accreditation does not appear to be a major contributor to underemployment. As Rodriguez points out, “most engineers are not required to

get their degrees accredited in order to practice. Only engineers that are hired for top positions and that sign off on projects in the areas of civil engineering, infrastructure, construction, or public safety are required to get their degrees accredited [translated from Spanish].” However, she notes that if a Venezuelan engineer does need to get their degree accredited, it is often delayed in processing since priority is given to the degree accreditation of doctors, who are in high demand in Argentina. This, in turn, could lead to temporary underemployment for senior-level Venezuelan engineers while they wait for accreditation. Nevertheless, Sala claims that most senior engineering positions requiring accreditation are currently held by Argentines, who she says are more likely to be hired for these positions due to their strong local industry connections.

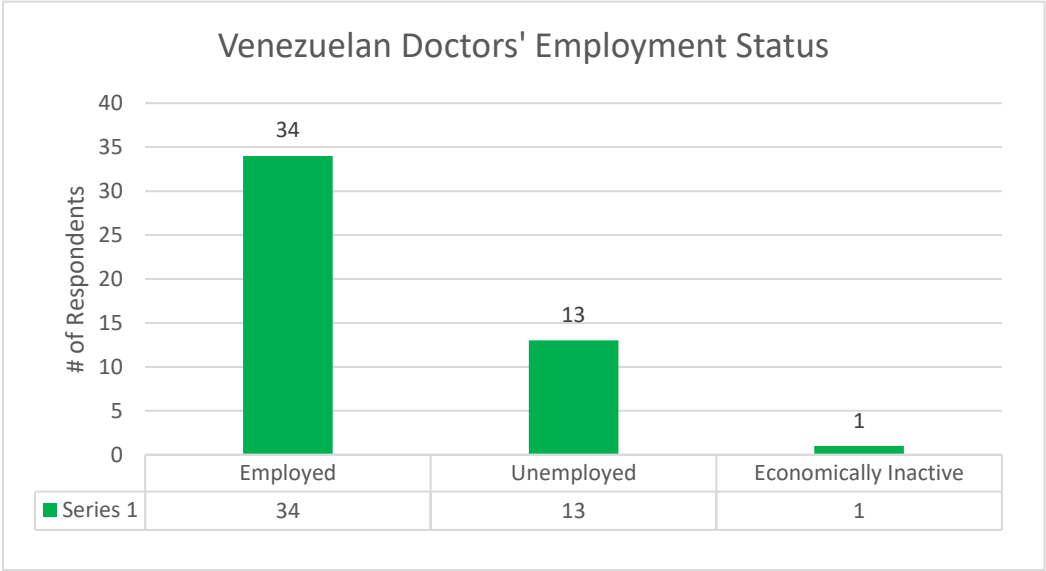
### **Case study of Venezuelan medical doctors**

According to the DNM, 4,517 medical professionals have migrated to Argentina from Venezuela between 2015 and 2018. This makes this group of professionals the third largest among Venezuelan migrants behind engineers and business professionals. This study has decided to focus on the subset of medical professionals that are medical doctors. 48 medical doctors completed the *Economic Integration Survey*, representing 17.27% of all respondents. As seen below in Figure 47, the unemployment rate of Venezuelan medical doctors in Argentina is 27.66% and therefore lower than the unemployment rate of the entire population of 36.03% and of Venezuelan engineers of 37.62%.

Figure 48 shows that half of all medical doctors responded as being underemployed. Figure 49 shows that of those who are underemployed 88.24% are only skills-related underemployed, 5.88% are only time-related underemployed, and 5.88% are both time and skills-related underemployed. As was the case with Venezuelan engineers, most Venezuelan

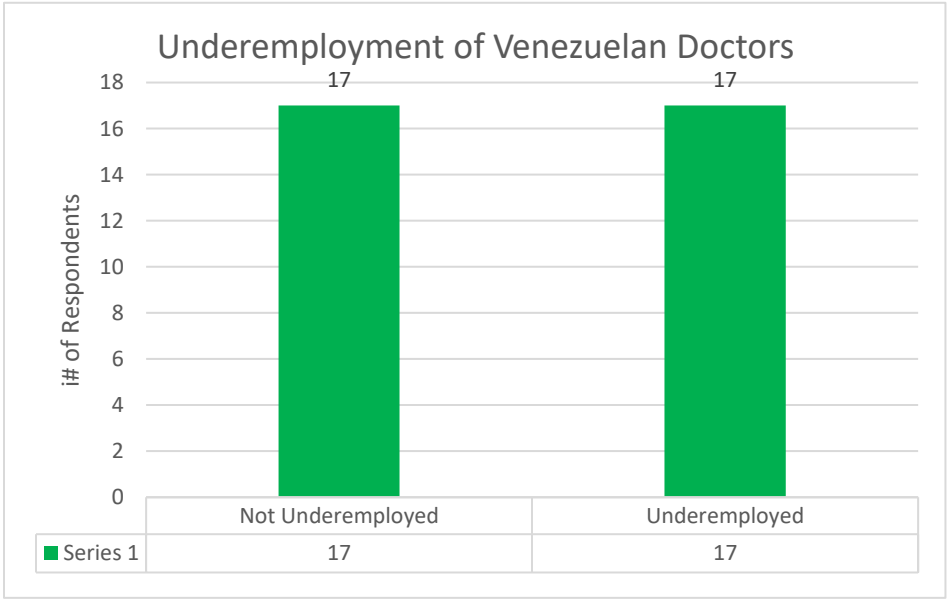
medical doctors are skills-related underemployed and find themselves in jobs that underutilize their skills, education, and experience.

Figure 47



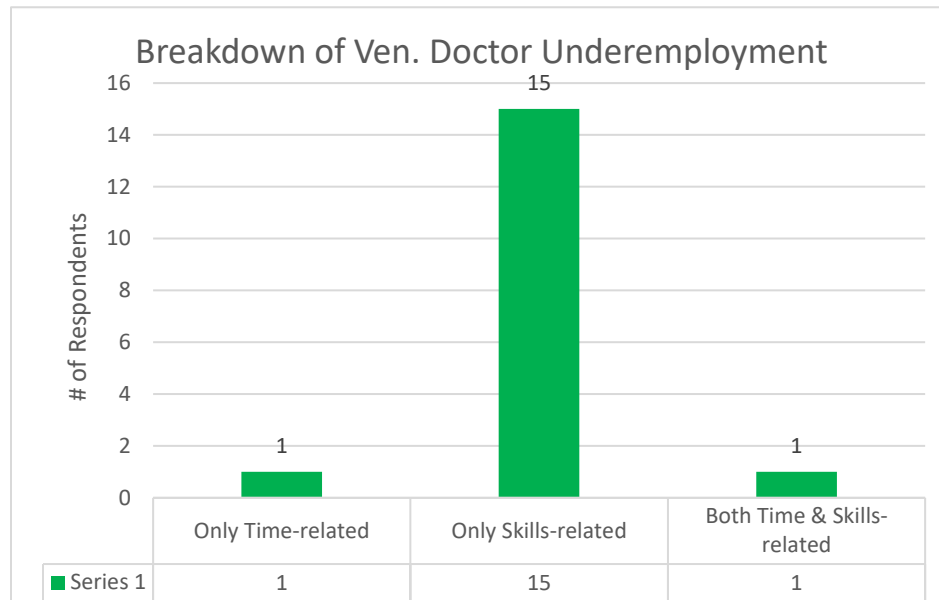
Unemployment Rate: 27.66%

Figure 48



Underemployment Rate: 50.00%

**Figure 49**



To learn more about the employment situation of Venezuelan medical doctors, an interview was conducted with Dr. Juan Villalobos, the president of the professional association for Venezuelan doctors Asociación Venezolana de Médicos en Argentina (ASOMEVENAR)<sup>142</sup>.<sup>143</sup> Villalobos acknowledges that underemployment is a problem for Venezuelan medical doctors, but for reasons different from those of Venezuelan engineers. Unlike engineers, Villalobos says that underemployment of medical doctors is primarily attributed to bureaucratic obstacles and not economic ones. He asserts that there is a serious shortage of medical doctors in the provincial areas of Argentina that is creating job opportunities for foreign medical doctors from countries like Venezuela. Villalobos attributes this shortage to a geographic imbalance of doctors in Argentina in which there are too many doctors in Greater Buenos Aires and not enough in the interior of the country.

<sup>142</sup> ASOMEVENAR was started by Dr. Juan Villalobos along with five other Venezuelan doctors on February 9, 2018 in Buenos Aires. According to the organization's website, ASOMEVENAR is "dedicated to promoting the development and professional growth of all Venezuelan doctors located in the Republic of Argentina [translated from Spanish]" It currently has over 1,000 members in over 23 Argentine provinces.

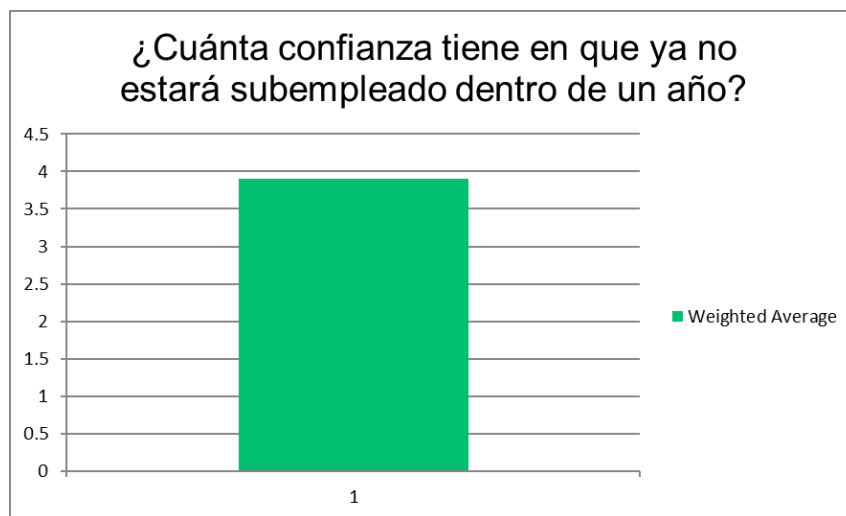
<sup>143</sup> Juan Villalobos, Interview with Juan Villalobos, President of ASOMEVENAR.

As Villalobos says, “there are jobs for Venezuelan doctors if they are willing to live away from Buenos Aires.” The Venezuelan medical community through ASOMEVENAR actively collaborates with the Argentine federal and provincial governments to use Venezuelan doctors to help fill this void in demand in the Argentine provinces. In the conversation with the press director of the DNM, Hugo Moujan, it was mentioned how ASOMEVENAR worked with government officials from the province of Tierra de Fuego to organize an event this past June at the Casa de Tierra de Fuego in Buenos Aires for the purpose of educating Venezuelan doctors about job opportunities in the southern Patagonia province. As of today, Villalobos estimates that there are 900 Venezuelan doctors working in Buenos Aires and 250 in the provinces.

Moreover, Villalobos explains how underemployment among Venezuelan doctors is mostly due to delays in the degree accreditation process. Since foreign medical professionals are not allowed to practice in Argentina without having their degrees accredited, they are forced to work elsewhere while awaiting accreditation. These interim jobs are often low-skilled, low-paying, and according to Villalobos include mostly working as Uber drivers or as aides to elderly people. Fortunately, the processing time for accreditation was reduced for Venezuelans by the Argentine government in November 2018 in large part because of lobbying from ASOMEVENAR and recognition of the fact that there is a need for more doctors in Argentina. A process that used to take 2-3 years now only takes six months to a year.

## **Future optimism regarding underemployment**

**Figure 50**



COLUMNS	WEIGHT
Muy pesimista	1
Pesimista	2
Ni pesimista ni optimista	3
Optimista	4
Muy optimista	5

Muy pesimista	Pesimista	Ni pesimista ni optimista	Optimista	Muy optimista	Total	Weighted Average					
1.11%	1	5.56%	5	22.22%	20	44.44%	40	26.67%	24	90	3.9
										<b>Answered</b>	<b>90</b>

In Figure 50 above, survey respondents who are underemployed were asked the question, “How confident are you that you will no longer be underemployed one year from now?”. As can be seen, with an average weighted score of 3.9 most respondents have a positive outlook towards the future and feel optimistic that they will no longer be underemployed one year from now. Those who were optimistic also constitute the largest group by percentage, accounting for 44.44% of the total. Indeed only 6.67% responded as being pessimistic or very pessimistic towards their future state of underemployment.

## **Actions already taken by the Argentine Gov. to Reduce Underemployment**

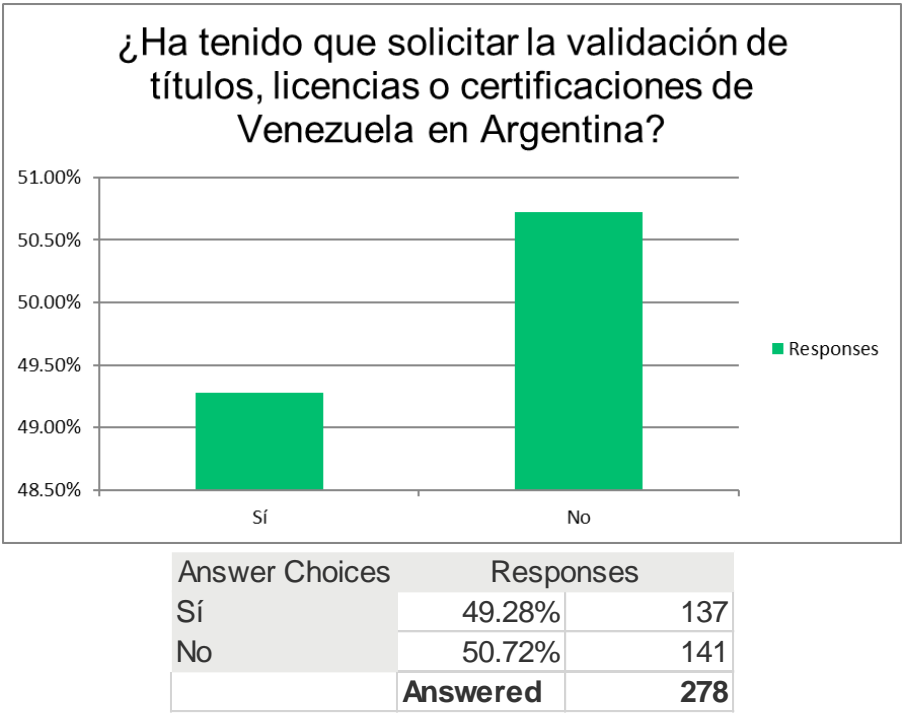
With increasing numbers of Venezuelan migrants arriving, the Argentine government has already taken important, meaningful measures to facilitate their integration. These measures

have both helped reduce underemployment and have allowed Argentina to take better advantage of the full economic potential of migrants. Such measures have included reducing requirements and expediting the process for degree accreditation, updating and streamlining the residency application process, and matching migrants to job vacancies in the interior of the country using better data collection and a new digital employment search platform.

**Changes in the degree accreditation process:**

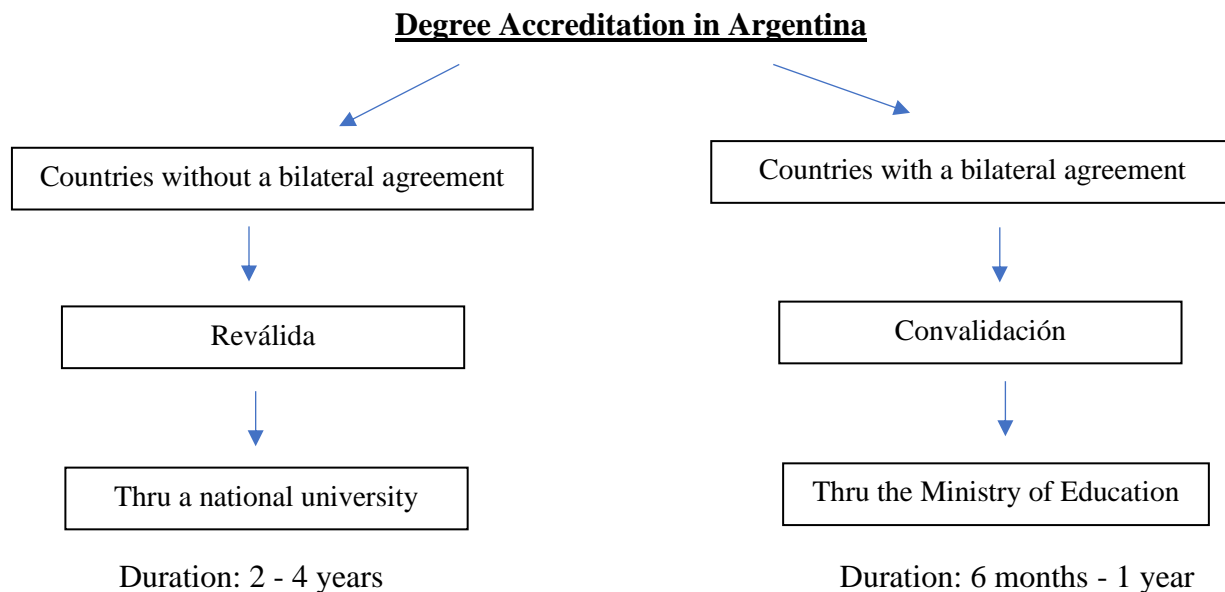
One of the ways Argentina has worked to reduce migrant underemployment and facilitate integration in the labor market is by improving the degree accreditation process for Venezuelan migrants. This is especially important since such a large percentage of Venezuelan migrants in Argentina are professionals. As seen below in Figure 51, almost half of all respondents to the *Economic Integration Survey* have undergone the process of getting their degrees from Venezuela accredited.

**Figure 51**



Moreover, currently in Argentina there are two processes towards degree accreditation referred to as “reválida” and “convalidación.” Figure 52 below provides an outline of both accreditation processes.

**Figure 52**



(Data from Argentine Ministry of Education)

Reválida is the process that must be taken by migrants who are not from a country that has a bilateral education agreement with Argentina. As part of this process, degree accreditation is initiated through a public Argentine university of the applicant’s choice. The university board then reviews the applicant’s course of study from the foreign university where they received their degree. Based on the board’s evaluation, applicants may then be required to take additional courses or exams in order to complete the accreditation process. Each public university is autonomous in its evaluation and has its own specific requirements.<sup>144</sup>

At the end of the reválida process, applicants are granted a degree and diploma from the Argentine university through which they applied. It should be noted that diplomas of applicants

<sup>144</sup> “Convalidaciones de Titulos Universitarios Extranjeros.”



who complete the reválida process are clearly marked with the word “reválida” and are therefore differentiated from the diplomas of regular graduates.<sup>145</sup> Based on my conversations with both Carmen Rodriguez and Dr. Juan Villalobos, the reválida process for engineers and medical doctors was the same and typically took on average between two to four years to complete since universities usually have stringent requirements for coursework and exams.

Convalidación, on the other hand, is the accreditation process taken by migrants who are from a country that does have a bilateral education agreement in place with Argentina. Currently this includes Bolivia, Chile, Colombia, Cuba, Ecuador, Spain, Mexico, Peru, and Ukraine. Applicants from these countries apply for accreditation through the Argentine Ministry of Education rather than through a university. Moreover, the convalidación process is entirely digitized and is completed on the government’s online Tramites a Distancia (TAD) platform. The Ministry of Education then places the applicant on a “direct” or “indirect” path for accreditation. Whether an applicant is redirected to the “direct” or “indirect” path depends on the bilateral agreement in place, the type of degree being accredited, and the applicant’s home university.<sup>146</sup> A summary of the two paths for convalidación is presented below in Figure 53.

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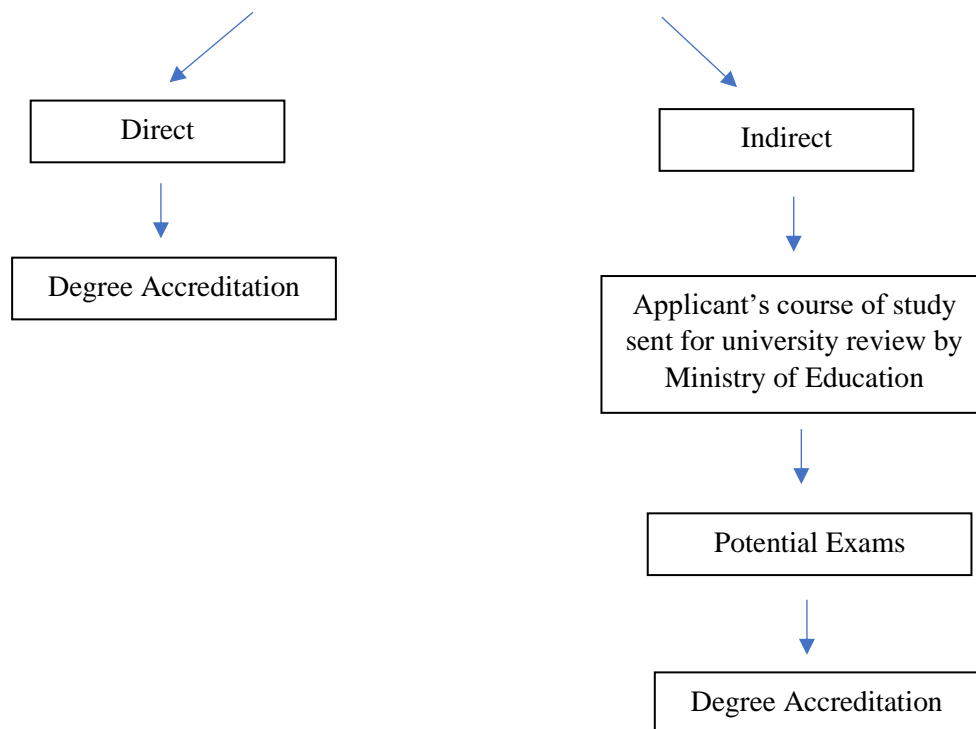
<sup>145</sup> Silvana Tortone, Interview with Silvana Tortone, Adm. at Universidad Nacional de Cordoba.

<sup>146</sup> “Convalidaciones de Titulos Universitarios Extranjeros.”

**Figure 53**

**Convalidación**

**According to bilateral agreement, type of degree, and applicant's home university**



(Data from Argentine Ministry of Education)

As the name suggests, applicants that qualify for the “direct” path are given immediate accreditation by the review committee at the Ministry of Education. Alternatively, those who are placed on the “indirect” path have their course of study sent by the Ministry of Education to be reviewed by an Argentine university.<sup>147</sup> After review, the Argentine university may then provide the Ministry of Education with recommendations on certain exams that should be taken before the applicant is granted accreditation. Following this step and the successful completion of any exams deemed necessary, the Ministry of Education then grants the applicant on the “indirect” convalidación path an accreditation certifying that they can practice professionally in Argentina.<sup>148</sup>

<sup>147</sup> “Convalidaciones de Titulos Universitarios Extranjeros.”

<sup>148</sup> Silvana Tortone, Interview with Silvana Tortone, Adm. at Universidad Nacional de Cordoba.

However, unlike the reválida process, those who complete the convalidación process are not granted an equivalency degree from an Argentine university. Rather they are given a declaration from the Ministry of Education allowing them to practice professionally using the degree from their home university.<sup>149</sup> According to Rodriguez and Villalobos, the average lead time for completing the accreditation process through the “indirect” path of the convalidación process takes between six months to a year and is therefore significantly shorter than the reválida process.

Since Venezuela had no prior education agreement with Argentina, Venezuelan migrants were forced to undergo the slower reválida process for degree accreditation in order to be allowed to legally practice professionally. Yet in recognition of the humanitarian crisis occurring and citing the need to “resolve specific cases coming from countries in institutional crisis and/or armed conflict that do not have an agreement regarding the recognition of studies, degrees, diplomas, or academics with Argentina [translated from Spanish],” Argentina on July, 2<sup>nd</sup> 2018 passed resolution 230-E/2018 allowing Venezuelan migrants to partake in the shorter convalidación process instead of the longer reválida process of accreditation.<sup>150</sup> Although humanitarian in nature, there were also clear and obvious economic motives behind the resolution as it states, “This Ministry of Education of the nation considers this measure convenient and opportune as it will permit the incorporation into the national cognitive matrix the expertise of these professionals with the goal of complementing the supply of professionals and filling demand gaps in sectors of the economy [translated from Spanish].”<sup>151</sup> A similar resolution was also passed for Syrian immigrants to Argentina as well.

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<sup>149</sup> Silvana Tortone, Interview with Silvana Tortone, Adm. at Universidad Nacional de Cordoba.

<sup>150</sup> “Resolución 230-E/2018.”

<sup>151</sup> Ibid.

As previously mentioned, this action taken by the Argentine government was important in helping reduce Venezuelan migrant underemployment, especially among doctors. A process that had taken two to four years was reduced to six months to a year therefore allowing, for example, doctors to practice medicine sooner and engineers to be hired or promoted to higher and better paid positions requiring degree accreditation. Previously, many of these professionals were forced into less-skilled professions or lower-level positions while awaiting accreditation. Villalobos did note that all Venezuelans who wish to get their degrees accredited regardless of profession currently need to go through the “indirect” path of convalidación since there is currently no bilateral education agreement in place between Argentina and Venezuela.

### **Changes in the residency application process**

Not surprisingly, obtaining residency is extremely important for migrants coming to Argentina since it is required to legally work or study. In the past year, Argentina has streamlined the residency application process, making it quicker and easier for migrants to receive provisional and then temporary residency. This has allowed migrants to join the Argentine labor market sooner and with less obstacles. These changes have also helped reduce underemployment since having temporary residency is required for starting the degree accreditation process.<sup>152</sup>

In November 2018, Argentina improved the residency application process for migrants by replacing a series of in-person appointments at different government offices with a multipurpose online platform called Radex (Radicación a Distancia).<sup>153</sup> Documents that previously needed to be collected in-person such as Argentine criminal records are now solicited directly online through Radex.<sup>154</sup> One Venezuelan migrant living in Buenos Aires who

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<sup>152</sup> Juan Villalobos, Interview with Juan Villalobos, President of ASOMEVENAR.

<sup>153</sup> Vincenzo Pensa, Interview with Vincenzo Pensa, President of Asoven.

<sup>154</sup> Direccion Nacional de Migraciones (DNM), “Está En Marcha La Radicación a Distancia.”

performed the residency application process before Radex said that he and other migrants were forced to travel and make appointments at government offices in areas of Argentina outside of Buenos Aires, sometimes on the other side of the country, in order to avoid the long wait times for the same appointment in Buenos Aires. According Vincenzo Pensa, the average wait time for an appointment with the DNM in Buenos Aires was one year prior to the introduction of Radex. During this time, migrants were legally unable to work or enroll in a university.

Now migrants can begin the residency process immediately after arrival on their own time and are instantly granted provisional residency, valid for 90 days, through the online system once all documents are submitted and the processing fee of 3,000 pesos (~USD \$50) is paid. With provisional residency, migrants can already perform most activities such as work, enroll in a university program, rent an apartment, or obtain a driver's license. Temporary residency, valid for two years, and a national ID card (referred to as a DNI) are then mailed to the applicant's address between 60 and 90 days after provisional residency has been granted.<sup>155</sup> As previously mentioned, migrants currently cannot begin the degree accreditation process until they have received their temporary residency and DNI.

Similar to the way entrance requirements for Venezuelan migrants were relaxed in light of the country's crisis, Argentina has also relaxed requirements for Venezuelans applying for residency. As previously mentioned, Argentina has continued to recognize Venezuela's Mercosur membership despite the country's suspension from the organization in December 2016. Just as entrance requirements are less for Mercosur members, residency requirements are also significantly less for migrants from Mercosur countries than for those from non-Mercosur countries. To reside in Argentina a member of a Mercosur country need only provide a national

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<sup>155</sup> Hugo Moujan, Interview with Hugo Moujan, DNM Press Director.

ID card, a copy of their criminal record from their home country, a copy of their criminal record from Argentina, and proof of residence in Argentina.<sup>156</sup>

These requirements have further been reduced for Venezuelan migrants in recognition of the fact that official documents from the Venezuelan government are difficult to obtain due to institutional instability and the government's inability or lack of desire to service the overwhelmingly high demand for documents as hordes of people flee the country. For this reason, the DNM in February 2018 declared that migrants would no longer need to provide criminal records from Venezuela in order to obtain residency.<sup>157</sup> In line with its entrance policies, Argentina has also decided to accept expired Venezuelan national ID's from those seeking residency and allow children under the age of nine to obtain residency with only a birth certificate.<sup>158</sup> Similarly, in July 2018, the Ministry of Education passed Resolution 232-E/2018 allowing migrant children to enroll in school in Argentina with incomplete, not apostilled, or missing documentation. As part of the resolution, children without any documentation are afforded the opportunity to take an international placement exam as a means of determining their level of education.<sup>159</sup>

### **Improving the geographic distribution of workers**

Hugo Moujan, the press director for the DNM, insists that despite Argentina's high unemployment rate of around 10%, there is an ample amount of jobs for both natives and immigrants alike. Similar to the previously discussed case of medical doctors, he claims that many of these job opportunities are outside of Buenos Aires and located in the interior of the country. In Moujan's words, "the problems of unemployment and underemployment are attributed to a geographical imbalance in the supply and demand of workers in Argentina that is

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<sup>156</sup> Direccion Nacional de Migraciones (DNM), "Obtener Una Residencia Temporaria Por Nacionalidad."

<sup>157</sup> "El Gobierno Simplifica Los Requisitos Para La Entrada de Venezolanos al Pais."

<sup>158</sup> Hugo Moujan, Interview with Hugo Moujan, DNM Press Director.

<sup>159</sup> "Resolución 232-E/2018."

characteristic of a country with limited labor mobility [translated from Spanish].” In the case of Venezuelan migrants, who are heavily concentrated in Greater Buenos Aires, the goal of the DNM is to convince migrants to move elsewhere in the country where there is actual demand for their expertise. According to Moujan, this will not only help migrants find better jobs but will also relieve pressure on the Buenos Aires job market while filling important gaps in the demand for labor in the provinces.

In pursuit of this objective, the DNM first began by improving their data collection methods. They did so by asking migrants questions about their skills, education, and professional backgrounds as part of the residency application process through Radex. With this information, they have been able to learn more about migrants’ competencies and where and how they can best be integrated into the national labor market. After analyzing the data, they realized that many Venezuelan migrants have the skills and expertise currently in shortage in many labor markets outside of Buenos Aires.

Armed with this data, the government formally started a new initiative called Orientación de Flujos Migratorios with the stated goal of encouraging immigrants in Argentina to move to the provinces. Although this program is aimed towards migrants from all places, Moujan claims that the recent large wave of Venezuelan migrants to Argentina was the driving force for its development. Central to the program is a new, digital employment search platform that will help provinces directly market job opportunities to employment seekers. Assisting the DNM in developing this platform are the ILO, the IOM, and the United Nations Refugee Agency (UNHCR). Although primarily intended to help migrants find employment, the platform will be made available for use by Argentines as well. However, Moujan says that convincing Argentines to locate or re-locate away from Buenos Aires has always been a challenge that largely stems from longstanding, negative perceptions about the Argentine interior.

At the time this thesis was written, four provinces had already agreed to participate in the program. Nevertheless, the platform and the government initiative to encourage migrants to move to the interior of the country is not without its sceptics. One of whom is Sala, who is worried about the potential negative impact these migratory flows will have on provincial economies and their labor markets, which she says, “are much more fragile than those in Buenos Aires [translated from Spanish].”

To determine the willingness of Venezuelan migrants to relocate within Argentina, migrants were asked in the *Economic Integration Survey* if they were willing to move to another city in Argentina if there were better job opportunities available. The results in Figure 54 below show that a 77.57% majority of respondents were willing to do relocate for better job opportunities, while 10.66% were not, and 11.76% were not sure. These are positive results for the DNM as they surge forward with the Orientación de Flujos Migratorios initiative and attempt to convince migrants to move to where the government believes jobs are available for them.

**Figure 54**





## **What migrants say Argentina can do to reduce underemployment**

As part of the *Economic Integration Survey*, underemployed Venezuelan migrants were asked about what measures they felt the Argentine government could take to help reduce the problem of underemployment among Venezuelans. The responses reflected a series of re-occurring themes. The most common with 33 of the 90 responses was related to further reforms in the residency and degree accreditation processes. These responses were focused on further reducing requirements, bureaucratic hurdles, and processing times.

Some notable suggestions regarding the degree accreditation process included allowing Venezuelan university graduates to pass through the “direct” rather than the “indirect” path for accreditation and accepting documentation that is not apostilled. Regarding the residency application process, some respondents answered that quickening the process is imperative since some employers disobey the law and refuse to hire migrants who only have provisional residency status. A few of the many responses related to degree accreditation and residency are listed below:

### **En su opinión, ¿qué medidas podría tomar el gobierno argentino para reducir el subempleo de los inmigrantes venezolanos?**

“Agilizar los trámites de convalidación para los títulos de los venezolanos... Si pienso que gran parte de los trámites han avanzado pero no lo suficiente”

“Reconocer los títulos de los extranjeros (venezolanos) sin tener que volver a estudiar cuando en muchos casos tenemos postgrado y hasta doctorado”

“Resolver oportuna y prontamente el documento de residencia (DNI) de los inmigrantes, y agilizar la convalidación de los títulos”

“Hacer mas facil los convenios de convalidacion y sin tanta burocracia”

A second frequent suggestion called for the Argentine government to take an active role in relocation efforts. These responses show that many migrants are willing to move to another province where jobs are available but lack the information necessary for making an informed

decision. Some migrants even believe that the government should not only help them find job vacancies but, in some cases, assign them jobs based on their skills and qualifications and where there is regional demand. As discussed, the government is already working on a solution to geographic imbalances in labor supply as part of the initiative Orientación de Flujos Migratorios. Some responses related to relocation are listed below:

**En su opinión, ¿qué medidas podría tomar el gobierno argentino para reducir el subempleo de los inmigrantes venezolanos?**

“Reubicarnos en las provincias adecuadas a la profesión con un trabajo asignado según las vacantes y experiencia”

“Insertarnos en vacantes de acuerdo a las profesiones. Bien sea en lo publico o privado”  
“Planes de inserción”

“Evaluar para que son buenos y capaces y ubicarlos según la necesidad que se presente en el país, por ejemplo yo pudiera desarrollarme en el proyecto de Vaca Muerta en Neuquén”

“Controlar la distribucion de extranjeros que radican en zonas especificas del pais, como ejem CABA”

“Buscar la manera de realizar charlas y hablar sobre otras provincias y las oportunidades que en ellas se presentan”

“Pues tratar de crear un sistema de apoyo y ubicacion de los profesionales competentes de mi pais y ubicarlos en empresas o provincias donde se necesiten nuestros conocimientos venimos con humildad y ganas de hacer crecer al pais que nos acoge empleando nuestros conocimientos no merecemos ser profesionales y trabajar en negro como un inmigrante sin estudios”

“Mejor canalización de trabajadores del sector a trabajos de ese respectivo sector, considerando déficits y superávits en las distintas regiones”

“Planes de redistribución a lo largo del territorio”

Some migrants also suggested that the Argentine government sponsor work training programs for migrants focused on skills and certifications needed for professions in demand in Argentina. Others thought that the government should work directly with the private sector and devise ways Venezuelans can be better incorporated into the private economy. For example, one comment listed below cites that the government should encourage private engineering companies

to be less stringent about the requirements and qualifications needed for positions that typically require less skill or responsibility. Other comments relating to training programs and collaboration with the private sector include:

**En su opinión, ¿qué medidas podría tomar el gobierno argentino para reducir el subempleo de los inmigrantes venezolanos?**

“Considero que están haciendo lo que esta en sus manos para ayudar a los venezolanos, pero debemos capacitarnos más, porque hay mucha competencia de profesionales en Argentina, sobre todo calificarnos con el nivel avanzado de ingles”

“Campanas de educación. Las empresas y concientización”

“Personalmente considero que es cuestión de seguir preparándose profesionalmente con estudios dentro de argentina para apoyar y avalar la preparacion profesional que se tiene previamente con certificaciones del país”

“Trazar estrategia con las empresas”

“...En el área de Ingenieria el gobierno debería tratar de entablar un dialogo con las empresas privadas para que no sean tan cerradas en buscar experiencias muy especificas para trabajos con poca responsabilidad, Ejemplo en el área de petrolera busca personal con 5 o mas años de experiencia en yacimientos No convencionales como factor excluyente, en argentina tienen poco tiempo trabajando con ese tipo de yacimiento, en el mundo pocos países explota ese tipo de yacimiento y dudo mucho que algún profesional con ese perfil prefiera venir a argentina en vez de otros países mas desarrollados”

Another suggestion migrants had for government policymakers was to perform more surveys and release data that could then be helpful for finding better jobs. In fact, the government has collected significant census and economic data but could do a better job of sharing and distributing the results. Most of this data is public and available but hidden amongst intricate and often confusing government websites. The government should consolidate relevant data into one report and distribute it to the various Venezuelan community organizations and leaders. A labor report broken down by industry and province would also be useful not only for migrants but for all job seekers in Argentina. Some comments relevant to data collection and reporting are cited below:

**En su opinión, ¿qué medidas podría tomar el gobierno argentino para reducir el subempleo de los inmigrantes venezolanos?**

“Censo y empleos formales”

“Realizar y tomar en cuenta encuestas cómo está para distribuirnos de acuerdo a nuestra profesión en las provincias con déficit de estas”

“Hacer un estudio de la áreas de producción inactivas y colocar esa mano de obra profesional venezolana para activar el aparato productivo”

“Realizar y tomar en cuenta encuestas cómo estás para distribuirnos de acuerdo a nuestra profesión en las provincias con déficit de estas”

Finally, a significant number of Venezuelans felt that there was nothing more that the government could do to reduce migrant underemployment. Other migrants focused more on suggestions for changes in long-term macro-economic policies rather than shorter-term administrative policy changes. Although important, these suggestions are obviously more open to debate and unlikely to exact immediate change. Responses of these types include:

**En su opinión, ¿qué medidas podría tomar el gobierno argentino para reducir el subempleo de los inmigrantes venezolanos?**

“No es problema del gobierno”

“En mi caso como profesional universitaria latinoamericana, creo que nos están dando un trato considerado, humanitario y aprovechando nuestro recurso humano para cubrir algunas áreas laborales”

“en este momento no se que podrá hacer el gobierno para poder reducir esto!”

“Ninguno por ahora”

“No es fácil por los problemas que pasa la economía”

“Bajar los impuestos y dar paso a las inversiones y empresas extranjeras”

“Reducir impuestos a los comerciantes. Y así puedan contratar más personal”

“Más producción, menos inflación, menos aumentos, o al menos no en tan cortos períodos de tiempo”

## **Venezuelan community organization**

In the short time that most Venezuelans have been in Argentina they have become very well organized as a community. This has facilitated the spread of information including about employment opportunities. Professional associations such as IngVenAr and ASOMEVENAR have united professionals under a single umbrella and harnessed the collective power of their members. Villalobos estimates, for example, that 80-90% of Venezuelan medical doctors are members of ASOMEVENAR. As Villalobos says, “It is incredibly important that so many Venezuelan doctors are organized into a single organization as it provides us leverage for seeking better employment opportunities [translated from Spanish].” Indeed, ASOMEVENAR was crucial in the lobbying efforts that resulted in the previously discussed changes in the degree accreditation process for Venezuelans.

Rodriguez notes that Argentine engineers are scattered into various professional organizations at both the national and provincial levels that include Centros Ingenieros, Colegios de Ingenieros, and Consejos Profesionales. In contrast she says that in Venezuela all engineers form part of a single national organization called the Colegio de Ingenieros de Venezuela (C.I.V.). When IngVenAr was created two years ago, the goal was to create an organization in Argentina that mirrored the C.I.V. and that would be more organized and have better lines of communication than the various organizations that are found in the Argentine model.

These professional associations provide a plethora of resources and assistance for members. Sophisticated social media pages include everything from job postings to detailed guides on the residency and degree accreditation processes. Other Venezuelan community outreach organizations such as ASOVEN are more dedicated to serving the poorer segments of the Venezuelan community in Argentina. As the president of ASOVEN, Vincezo Pensa, explains, “ASOVEN has been around since 1998, well before most Venezuelans started coming

to Argentina. The purpose of the organization for over the first 15 years of its existence was to promote the culture of Venezuela and come together as a community for national celebrations a few times a year. Yet, as the crisis in Venezuela worsened, we had to change direction 180 degrees and now the goals and objectives of the organization are more focused on helping assisting migrants, especially the most vulnerable ones, to life in Argentina [translated from Spanish].”

In addition to these more formal organizations, dozens of social media groups founded by Venezuelan migrants in Argentina are found on across various platforms such as Facebook, Instagram, or WhatsApp. These include groups for migrants living in different cities or provinces in Argentina, groups for different types of professions ranging from barbers to graphic designers, groups for job seekers, political groups, and even groups for buying and selling goods or services. Members of these groups actively support each other with answering questions, addressing doubts, or sharing opportunities.

The extent and speediness at which the Venezuelan community has organized in Argentina is both impressive and an important factor in the discussion on underemployment. These professional association, community outreach organizations, and social media groups are important mediums for migrants to find employment and become knowledgeable about important procedures such as the residency and degree accreditation processes. Some Argentine employers have even joined these online groups to advertise both skilled and unskilled job opportunities.

Many Venezuelans even join these groups before making the decision to move to Argentina to learn more about the employment landscape in Argentina, the cost of living in Argentina, transportation routes to Argentina, and education in Argentina among many other things. This knowledge makes integration and assimilation upon arrival less confusing and

quicker with less unexpected surprises. Importantly, these groups also provide a sense of unity and security among Venezuelan migrants that may substitute the need for neighborhood cohesion, which the data and interviews show is not strong in Argentine cities.

## **Chapter VI: Looking to the Future**



## **Additional suggestions for reducing underemployment**

In addition to the suggestions posted by respondents to the *Economic Integration Survey*, there are other recommendations that can be made to Argentine policymakers for helping reduce migrant underemployment, based on the findings of this study and my analysis of underemployment. For example, earlier in this thesis it was discussed how Venezuelan petroleum engineers have trouble affording housing in areas where there are jobs available, most notably in Río Negro and Neuquén. As a solution to this problem, Sala suggests that the government subsidize housing for migrant engineers for a short period of time until they can establish themselves financially. Another option, according to Sala, would be for the government to build cheap housing in these regions for newly arrived migrant engineers and even to subsidize the cost of bus transportation to these areas from major cities such as Buenos Aires.

Rental housing in general is a major issue that requires reform in Argentina. According to Vincenzo Pensa, changes in housing policies would benefit both migrants and natives alike. Similar to many countries, renting in Argentina requires having a guarantor and leaving a deposit. However, in Argentine proprietors tend to only rent to people who have a credit-checked guarantor living in the same city or province. An Argentine citizen from Cordoba with no personal connections in Buenos Aires, for example, would usually have difficulty finding rental housing in Buenos Aires despite being able to produce guarantors of good financial standing in Cordoba.

Pensa claims that landlords' strictness in deciding to whom to rent is due to Argentina's "bien de familia" laws and the rights given to squatters that often make it difficult for landlords to evict nonpaying tenants. In the case of Venezuelan migrants, this policy has made it extremely difficult to find rental housing. For those with few options, guarantees are provided

by third-party private companies such as GarantíaYa but at prohibitively expensive rates that most migrants are unable to afford. As a result, many migrants are forced to live in accommodations that resemble current-day tenements called pensiones. One Venezuelan migrant who lived in a pensión for the first couple years after arrival described to me how a pensión worked and what the conditions are like.

According to him, a pensión is a large house with roughly five bedrooms and two bunks beds in each room, thus equating to about 20 people total living together under one roof. There is only one bathroom, normally commercial, with multiple stalls, urinals, and showers. There is also a shared kitchen area. The rent is very inexpensive at around 2,300 pesos per month (~USD \$45). Deposits in case of damage are only 500-1,000 pesos (~USD \$10-\$20), and no guarantees are required. He says that although these houses are occupied by a revolving door of migrants from many different countries, the majority are from Venezuela. He personally was only able to leave a pensión after two years by teaming up with two Argentine brothers who were able to provide a guarantee from local family members to rent an apartment in Buenos Aires.

Due to these restrictive rental policies, many migrants are reluctant to move once finding suitable housing. Labor mobility is thus reduced and greater underemployment results as migrants are dissuaded from moving to areas where there are better job opportunities. With better accommodations, it is also more likely for migrants to be more productive at their current jobs. In order to improve labor mobility, reduce underemployment, and improve the living conditions of migrants, reforms to policies regulating the process of renting an apartment may be beneficial. In the short-term, the government could start a program where they act as guarantors for migrant workers at low rates. In the long-term, policymakers could consider reforming squatter laws so that landlords are better protected from non-paying tenants. This would make

landlords less fearful to rent to hardworking migrants and Argentines that are from out of the area.

Another suggestion for the government, brought up by Sala, that could reduce underemployment is a program of micro-credit for migrants. Currently many migrants who want to start their own businesses or become independent contractors do not have the capital to do so and are forced to work in jobs that are less desirable. An unemployed engineer, for example, could use cheap government capital to buy his or her own tools and start a new repair business. By investing in migrants, the government would thus be investing in future economic growth in the form of new small businesses and ventures. The idea to assist migrants through better access to resources and factors of production has in fact already been explored in Neuquén. According to Sala, a local farming association in Neuquén recently gave migrants access to community-owned land that could be exploited at no cost. The federal government and other provincial governments should focus on similar initiatives like this one that give migrants access to land or capital and provide the opportunity for better employment.

Finally, policymakers should consider fining employers who refuse to hire migrants because they only have provisional residency. As Hugo Moujan explains, by law migrants with provisional residency have the right to work anywhere where degree accreditation is not required. However, Vincenzo Pensa notes, along with many migrants who took the *Economic Integration Survey*, that many employers, especially in higher-paying professions, explicitly refuse to hire migrants who only have provisional residency. This leads to greater underemployment particularly in the three months before temporary residency is finally granted. In the same spirit, policymakers should also consider allowing migrants to begin the degree accreditation process with only provisional residency rather than having to wait for temporary residency as is the current policy. This would shorten the lead time for migrants who are

professionals to obtain jobs in their areas of expertise. The plausibility of this policy change is even greater given that it seems that very few Venezuelan migrants are ultimately denied temporary residency.

### **The Argentine government's policy towards Venezuelan immigration**

In order to better understand the current and future disposition of the Argentine government towards the large volume of Venezuelan migrants, an interview was conducted with the press director for the DNM, Hugo Moujan, at the DNM's office in downtown Buenos Aires. Moujan emphasizes that the Argentine government is committed to maintaining its open border policy for Venezuelan migrants. He further asserts that it is unlikely that this policy will change even as a new presidential administration enters office on December 10<sup>th</sup> following the electoral victory of the opposition party, Frente de Todos, on October 28<sup>th</sup>. He claims that immigration was not one of the top ten debate issues between the two major political parties during the election. This stands in contrast to the fierce political debates occurring in other countries in the region that, as previously discussed, have in some cases led to new restrictions on Venezuelan migration.

According to Moujan, “the respect Argentina has for the reception of migrants comes from a long, historical tradition of immigration that began even before Argentina was a nation [translated from Spanish].” Moujan notes that early in Argentina's history, political leaders such as Juan Alberdi, Domingo Sarmiento, and Nicolás Avellaneda prioritized immigration as a means of populating the country and promoting economic growth. He continued by reaffirming that leaders today from across the political spectrum in Argentina respect this history and understand that Argentina is a country woven together by immigrants. He asserts, “countries including Argentina, Spain, or Germany need immigrants to grow economically. For this reason, rejecting immigrants and xenophobia are both errors [translated from Spanish].”

Moujan is also quick to point out that not all Venezuelan migrants to Argentina ultimately stay in Argentina. He says that there is an outflow of Venezuelans similar to the one that occurred in the beginning of the 20<sup>th</sup> century when five million immigrants (mostly Spanish and Italian) came and stayed in Argentina while an additional five million came and left. Moujan claims that Venezuelans leave Argentina for a variety of reasons that include, “not liking Argentines, not liking the cold, finding there are no jobs, realizing there is no demand for their profession, missing their family living elsewhere, running out of money, or missing their boyfriend or girlfriend [translated from Spanish].” As seen below in Figure 55, the data from the DNM does in fact show that there was sizeable outflow of Venezuelan migrants from Argentina in 2018 that totaled 80,957 people.

**Figure 55**

<b>Movimientos migratorios nacionalidad venezolana</b>		
<b>Dirección</b>	<b>Total 2018</b>	<b>2019 (a marzo)</b>
<b>Entrada</b>	157,462	39,522
<b>Salida</b>	80,957	29,136
<b>Entrada vs Salida</b>	<b>76,505</b>	<b>10,386</b>

Furthermore, after speaking to various Venezuelan migrants living in Buenos Aires and reading posts on social media, I got the premonition that the profile of Venezuelan migrants to Argentina was beginning to change. There seemed to be larger numbers of less-educated and less-skilled Venezuelans coming to Argentina by bus, often after living in other countries outside of Venezuela for some time. This new trend was confirmed by Moujan who now estimates that 70% of Venezuelan migrants arrive by air and 30% arrive by land. This is a significant change from the 2018 DTM report which reported 90% of migrants arriving by air and 10% by land as

well as the 2017 Aruj study which reported figures of 93.4% and 6.3% respectively. In fact, it is a common trend in migration studies that poorer migrants tend to leave after those that are more affluent. In the case of Venezuela, it seems that many migrants with few means first migrated to closer countries such as Columbia, Ecuador, and Peru and after making some money and/or finding difficulties establishing legal residency and/or in finding employment, decided to migrate once again to countries in the southern cone such as Chile or Argentina.

Moujan does not believe that the arrival of greater numbers of less-skilled Venezuelan migrants will impact Argentina's current open-door policy towards Venezuelans. He says that even for the less skilled there are job opportunities in Argentina. For example, he says that the government is currently working with the national rural association, Registro Nacional de Trabajadores Rurales y Empleadores (Renatre), to fill 10,000 jobs for agricultural workers in the Patagonia. The challenge now, Moujan says, is spreading the word to natives and immigrants alike that these jobs are available. When asked if Argentina would ever institute an immigration policy that selectively favors highly skilled immigrants, Moujan replied, "there is close to a zero chance of this happening any time soon in Argentina [translated from Spanish]."

Moujan also says that Argentina has taken a leadership position in the Proceso de Quito, a group of 13 Latin American nations that have come together to share information and strategize on a regional response to the Venezuelan migratory crisis. In doing so, Moujan claims that Argentina is encouraging members to remain committed to accepting Venezuelan migrants just as Argentina has. Currently Argentina is proposing that Venezuelan migrants be granted a regional mobility identification card that will replace Venezuelan passports, which are mostly expired, and allow free movement of migrants between countries until a place for permanent relocation is found. The card will also allow countries to share data on migrants about their

movements and other activities such as crimes committed. Moujan notes that there are still many details to be worked out as part of the proposal, but he feels that it could be a promising project.

Finally, the topic of migrant underemployment was also brought up to Moujan. Specifically, he was asked if the government was planning to take any additional action toward reducing migrant underemployment or improving Venezuelan economic integration aside from the introduction of the new employment search platform that is the centerpiece of the Orientación de Flujos Migratorios program. In response, Moujan said that the answer is presently no and that the sentiment among most in the Argentine government is that Argentina is already doing enough to help Venezuelan migrants, especially compared to other countries. He re-iterated, “Argentina already offers a lot of advantages to immigrants such as free medical care and free education all the way through college. On top of this, for Venezuelan migrants Argentina has gone further by loosening entrance requirements, simplifying the residency process, and streamlining the degree accreditation process [translated from Spanish].” He concluded by saying that providing additional assistance to migrants under Argentina’s current economic situation was unfeasible especially given that many natives are also struggling to make ends meet.

### **Backlash from Argentine natives**

Overall, there has been little backlash against Venezuelan migrants from Argentines according to Moujan. An examination of newspaper articles over the past year seems to support this statement and shows that most Argentines are at least outwardly empathetic to the Venezuelan situation. In Argentina, there have also not been reports of coordinated attacks against Venezuelan migrant communities as have notoriously occurred in other countries in the region. The lack of significant backlash from natives makes sense especially given the low levels of discrimination reported by Venezuelan migrants in the *Economic Integration Survey*

and described in Chapter III. Nevertheless, it should be noted that racial and ethnic stereotypes about Venezuelans in Argentina are likely present and negatively impact some Venezuelans' ability to integrate socially and economically in Argentine society.

Furthermore, Moujan also denies any friction between Argentine labor unions and the arrival of so many Venezuelan migrants. He claims, "there have not been many cases of complaints from Argentine unions since Venezuelans as a whole do not compete with Argentines for jobs and because there is an understanding that there are job opportunities available for everyone, especially in the provinces [translated from Spanish]." However, Sala has a less rosy image of labor relations between Argentine unions and migrants. She specifically cited a recent confrontation between Argentine engineers and oil companies in Argentina where the Colegio de Ingenieros teamed up with the Oil Workers' Union in petitioning that the government require that all foreign engineers have their degrees validated before being allowed to work in Argentina. Sala claims, "the large inflow of Venezuelan engineers and the feeling that they were competing for Argentine jobs precipitated the actions taken by the local unions [translated from Spanish]." In the end, pushback from the oil companies led to the failure of the bill. In fact, according to Sala, the oil companies were instrumental in convincing the government to relax accreditation requirements for Venezuelans in the first place, citing the need for more engineers in the future development of the Vaca Muerta oil and gas fields.

In general, Moujan says that by default most Argentines are not xenophobic and that clashes with migrants only typically occur when Argentines feel that their rights or interests are being unfairly infringed upon. He uses the example of Senegalese migrants that put their products on a blanket to sell in front of stores. Rather than having a problem with Senegalese migrants' race or culture, Argentines are upset because the Senegalese are illegally competing against them by selling products on the street directly outside their storefronts. Yet he says that



even this anger is misplaced as Argentines should be more upset at the state for failing to enforce the rule of law.

Moujan attributes the openness of Argentines to migrants from other countries to the fact that many Argentines themselves move abroad in order to earn a better living. Specifically, there is a large number of Argentines, many of whom have European passports thanks to their family origin, that have moved to Europe in response to Argentina's own economic crisis. While not as grave as in Venezuela, Argentina is also suffering from high inflation, rising unemployment, drops in GDP, and significant foreign debt.

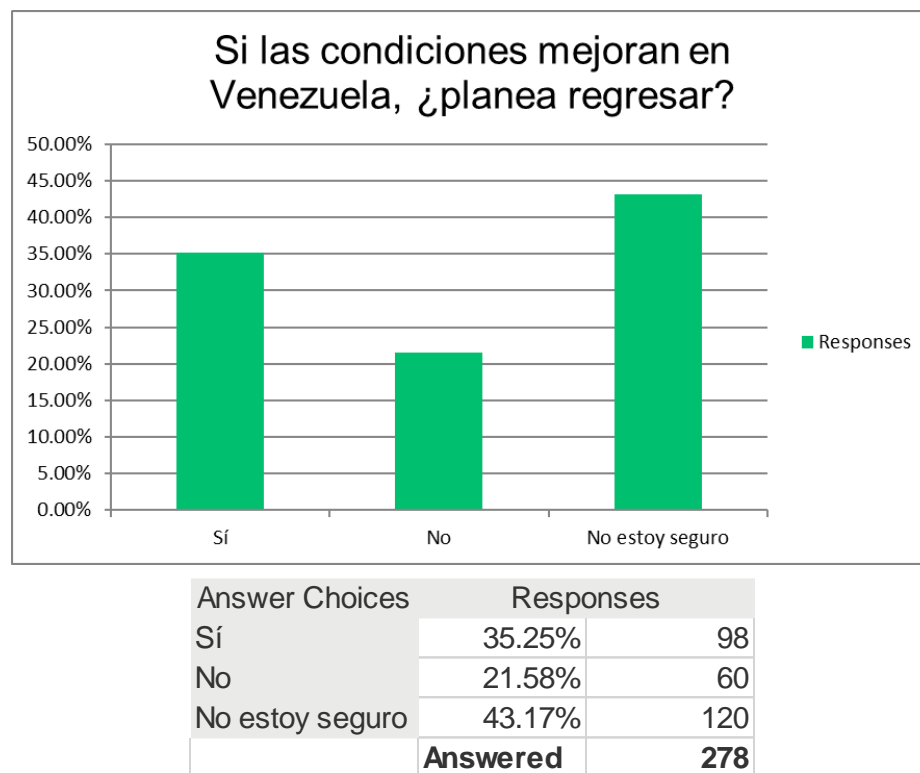
A recent news article from the Associated Press and published by the New York Times and Washington Post writes that Argentines are beginning to emigrate to Europe once again just as they had during the 2001-2002 economic crisis when nearly 800,000 Argentines moved abroad. In the article, the DNM says that it is difficult to currently estimate the number of Argentines that have moved abroad since those that leave do not disclose their destination nor the length of time they will be out of the country.<sup>160</sup> Because of their tendency to move abroad, Argentines are therefore more likely to be more sympathetic to economic migrants such as the Venezuelans in Argentina than are citizens of other countries where it is less common to move abroad for economic reasons.

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<sup>160</sup> Luis Andres Henao, "Argentines Return to Europe to Escape Economic Uncertainty."

## Returning to Venezuela

Figure 56



In the *Economic Integration Survey*, respondents were asked if they plan to return to Venezuela if conditions improve. As seen in Figure 56 above, 35.25% responded that they would return while 21.58% responded that they would not return. The largest percentage of migrants (43.17%) said that they were unsure. Respondents that answered yes or that they were unsure were then asked under what conditions they would return to Venezuela.

Most responses cited the end of the Maduro regime and to the country's socialist economic system. Numerous responses also said they would only return once democracy was restored and there was an extended period of political, economic, and social stability. The restoration of an independent judiciary and a return to free market policies were also commonly referenced conditions for returning. Others also demanded that corrupt officials and those responsible for crimes against humanity be held accountable before a just court of law before

they return to Venezuela. Additionally, many people said they would only return to Venezuela if the economic opportunities presented became the same or better than those that they currently have in Argentina. Some of the responses are cited below:

**¿Bajo qué condiciones se mudaría de vuelta a Venezuela?**

“Salida del chavismo. Establecimiento de un regimen de libre mercado. Purga de bandas delictivas.”

“Vuelta de la democracia en Venezuela. Salida de los narcos del poder.”

“Cambio de gobierno, Garantia de un estado de derecho, una economía estable y mejores condiciones que garanticen un futuro”

“1) Que se erradicara el chavismo y cualquier vestigio de socialismo. 2) Que la fuerza armada nacional y los cuerpos de policías y seguridad nacionales hagan su trabajo”

“Se tenga un gobierno democrático y pueda asegurarme de vivir en las mismas condiciones económicas que en Argentina. Poder trabajar de lo que estudié. Se tengan los Servicios públicos asegurados”

“Bajo unas condiciones económicas y sociales favorables. Donde no haya impunidad y haya medidas ejemplarizantes con prision y castigo a todo corrupto y asesino.”

“Varios años de crecimiento económico y social.”

“Recuperar empresas o invertir en las que ya existen”

“Cuando se restablezca el estado de derecho a los ciudadanos, que las instituciones sean autonomas y no al servicio de la narcodictadura o de un partido politico de turno.”

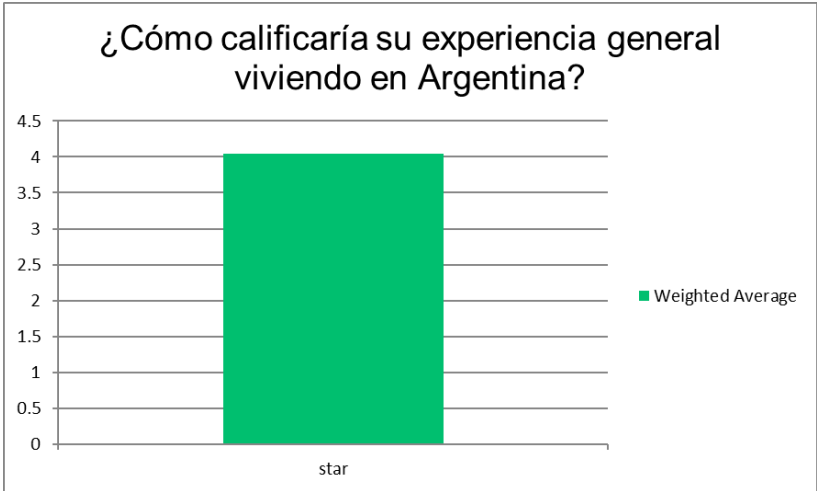
“No he pensado en eso. Quizás si las cosas fuesen mejor económicamente de lo que podría tener en argentina, además que la inseguridad y calidad de vida en vzla mejore”

**Overall satisfaction with living in Argentina**

As seen below in Figure 57, with a weighted average score of 4.04, the average respondent classified their experience in Argentina as being good and a total of 84% of respondents classified their experience as being good or excellent. In Figure 58, nearly 71% of respondents considered themselves to be financially better or much better than they were most recently in Venezuela. These figures measuring satisfaction and financial position suggest that

migrants currently living in Argentina are likely to stay rather than re-migrate to another country. They also suggest that more Venezuelan migrants are likely to come to Argentina based on the positive feedback likely given to them from friends or family already living in Argentina.

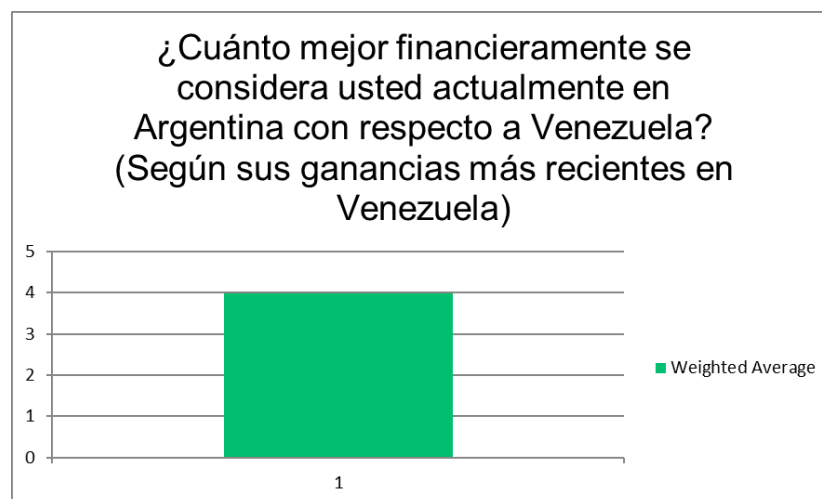
**Figure 57**



COLUMNS	WEIGHT
Terrible	1
Mala	2
Regular	3
Buena	4
Excelente	5

Terrible		Mala		Regular		Buena		Excelente		Total	Weighted Average
0.72%	2	1.80%	5	13.67%	38	60.07%	167	23.74%	66	278	4.04
										<b>Answer</b>	<b>278</b>

**Figure 58**



COLUMNS	WEIGHT
Mucho peor	1
Peor	2
Ni mejor ni peor	3
Mejor	4
Mucho mejor	5

Mucho peor		Peor		Ni mejor ni peor		Mejor		Mucho mejor		Total	Weighted Average
0.37%	1	4.41%	12	24.26%	66	38.97%	106	31.99%	87	272	3.98
										<b>Answered</b>	<b>272</b>

## **Final remarks**

There are several reasons why Venezuelan migrants escaping crisis at home are drawn to Argentina. For one thing, Argentina is a Spanish-speaking country with cultural and historical ties to Venezuela. In addition, entry requirements are low due to Argentina's continued recognition of Venezuelans' Mercosur membership while exceptions have also been made for children without proper identification and migrants traveling with expired documents. Importantly, Argentina also offers free healthcare and public education through the university level to all members of society including immigrants. Like entry requirements, residency requirements are relatively low and have also been further reduced for Venezuelan migrants.

Furthermore, the demographic and socioeconomic profiles of surveyed migrants in this thesis are similar to those cited in other studies about Venezuelan migration to Argentina. Thus

far, Venezuelan migrants to Argentina are mostly young, middle to upper-middle class professionals. Even though migrants are highly concentrated in Greater Buenos Aires, there are also sizable communities in secondary cities such as Cordoba as well as in the oil producing regions of Argentina. Data gathered in the *Economic Integration Survey* regarding where respondents reside reflect similar trends as the data collected by the DNM.

Easy residency requirements for Venezuelans also mean that most migrants are legally residing in Argentina and are eligible to work in the formal economy. In fact, the data show that the percentage of survey respondents working in the formal economy exceeds the Argentine national average. Additionally, very few respondents receive direct financial assistance from the government. Less promising, however, are the high unemployment and underemployment rates among respondents of 36.03% and 51.72% respectively.

Upon closer examination, the causes of underemployment of Venezuelan migrants in Argentina are various and often differ according to profession. In the case of medical doctors, underemployment is more likely a temporary state and usually occurs in the time before degree accreditation is granted. The high demand for medical doctors in Argentina means that jobs are typically available for Venezuelan doctors once they have their degrees accredited as long as they are willing to relocate outside of Buenos Aires. In the case of engineers, underemployment is mostly at a macro-economic level and is a result of a weak Argentine economy and a mismatch between the skills of Venezuelan engineers and the demands of the Argentine economy. Some engineers in Argentina also suffer from micro-underemployment resulting from age or gender discrimination.

Recognizing the economic potential of Venezuelan migrants, the Argentine government has already taken important steps towards cutting down on migrant underemployment. These include reducing requirements and expediting the process for degree accreditation, updating and

streamlining the residency application process, and helping migrants find available jobs in the interior of the country. The latter point has been accomplished through better data collection techniques and the development of a digital employment search platform as part of a new initiative called Orientación de Flujos Migratorios.

Recommendations for further reducing underemployment among Venezuelan migrants were also made and include improving the accessibility of housing through offering government-backed guarantees to landlords, reducing the cost of housing to migrants in areas where potential jobs are available, creating programs that offer inexpensive micro-credit to migrants looking to become entrepreneurs or independent contractors, fining employers who do not hire migrants with provisional residency as the law dictates they should, and permitting migrants to start the degree accreditation process earlier with only provisional residency.

However, it is uncertain whether the Argentine government has the will or the resources currently to attempt some of these reforms. The country is in the midst of its own economic crisis and is preparing for a change of government in December. Currently, discrimination towards Venezuelan migrants from Argentines is reported to be low and public backlash to the country's open immigrations policy has been negligible. Yet, this may change if Argentines feel that migrants are given precedence over them by their own government during these tough economic times. Moreover, reforms in the areas mentioned, however significant, would also only partially reduce underemployment. Sound macro-economic policies that promote the growth of the Argentine economy are imperative to helping reduce underemployment.

Overall, the outlook for Venezuelans in Argentina appears to be positive. On average, respondents to the *Economic Integration Survey* rated their experience in Argentina as good and their financial positions as being much better than they were in Venezuela. Not only has the Argentine government already taken important steps towards improving the economic

integration of Venezuelan migrants in Argentina, it is also likely to remain committed to accepting future migrants. This is important given that the economic and political crises in Venezuela continue to rage on while other countries in the region, overwhelmed by the inflow of Venezuelan migrants, have started placing restrictions on the number of new migrants they are willing to accept.

In conclusion, the Argentine government should be applauded for its response to the migratory crisis and the actions it has already taken to help Venezuelan migrants integrate economically into the Argentine labor market. Nevertheless, high levels of underemployment among Venezuelan migrants show that there is still work to be done in finding ways to fully utilize the productive capacity of this new workforce. This will no doubt be a challenge for the new Argentine government set to assume power in December especially given the severity of the current Argentine recession and the fragility of the national economy. Nevertheless, policymakers should be assured that the benefits of reducing Venezuelan migrant underemployment have the potential to be far reaching- not only for migrants, but also for Argentina.



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